WHATHER DATA APPEAR ON PAGE 14

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PARIS, MONDAY, MAY 24, 1982

ESTABLISHED 1887

U.K. Says 6 Argentine Jets Downed

British Report Damage to Frigate in Raids

LONDON — British forces shot down at least six Argentine planes Sunday in an air and sea battle off the Palkland Islands, the British

Defense Ministry said.

Five Argentine Mirages and a
A-4 Skyhawk were shot down,
spokesman Ian McDonald said. Another Mirage and two more Skyhawks were probably shot down;" he added.

A Bottish frigate was hit, but there were no immediate reports of extensive damage or casualties, he

In a separate incident, British Harrier fighter jets attacked three Argentine helicopters over Falkland Sound, just off the coast of West Falkland Island, the ministry reported. A Puma helicopter was seen exploding, another Puma was seen catching fire and a third, a Bell helicopter, may have been damaged, the ministry said.

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CLASSIE

Mr. McDonald said "a number" of raids had been launched on ships in San Carlos Water, the inlet off Falkland Sound where British troops landed Friday.

. The aircraft were engaged by missiles from surface vessels,

said. In the course of the attacks. one of our frigates sustained some damage," Mr. McDonald said, adding: "No reports on the extent of the damage have been received, nor has any indication of casualties." He did not disclose the

frigate's name.
On Friday, several hours after British Marines and paratroopers went ashore in the first sustained landing on the Falklands since Argentina seized them from Britain on April 2, Argentine warplanes sank another frigate, the Ardent.

British intelligence sources have estimated Argentine troop strength on West Falkland island at 1,000 to 2,000 men, mostly concentrated around the largest settlement, Fox Bay. Mr. McDonald did not disclose the exact location of the clash Sunday with the belicopters.

The attack Sunday was the first major air raid since the troop landings Friday. The reports came within hours of indications by government sources that Britain wants its 5,000 troop on the Falklands to

shore-based Rapier [anti-aircraft lands speedily — within weeks had been fired. There, about 500 missiles] and by Sea Harriers," he rather than days. rather than days.
Independent Television News

quoted government sources as saying that British troops had been ordered to retake the heavily defended Falklands capital of Stanley within days.

"The object is now an Argentine surrender. Britain wants Argentine troops off the islands and there is little chance, it seems, of further negotiations," the report said. Hours before the announcement by Mr. McDonald, British correspondents described by radiotele-phone the Argentina air attack on

Robert Fox of the British Broadcasting Corp. described how the unidentified warship went to red alert, accompanied by the sound of automatic cannon fire from "two, maybe even more" of the American-made Skyhawks.

"I got out to the bridge to see the smoke of [a jet's] exhaust as it disappeared over the hills," he on the starboard side, and up in

chorage, was an enormous ball of fire, with black smoke coming out of it, as the Skyhawk hit the water." He did not disclose the loca-

Jeremy Hands, a reporter for Independent Television News, count-ed two Skyhawks and said they "came in very low. They flew very fast. At least three ships seemed to open fire on them." He said he was unable to say

whether the British ships had suffered any casualties or damage. Reinforcements Landed

The attack came as British forces reinforced their Falkland Islands beachhead Sunday, reportedly in preparation for a move in-

The Defense Ministry also reported that raids had been staged on Argentine ships and positions

The Defense Ministry said British forces had "met no opposition" in consolidating the position "Suddenly there was a bang around San Carlos, on the northwest coast of East Falkland island. The ministry on Saturday an-

nounced the sinking of the missile frigate Ardent in Falkland Sound. It said the latest casualty figures from the Ardent, were 22 men missing and presumed dead and more than 30 wounded among the

178 survivors. Two other men were missing, presumed dead, and 25 wounded, from other ships. Three Marines died when two helicopters were shot down on Friday and one Harrier pilot was missing after the loss of his plane, the ministry said. In all, Britain has announced the

deaths of more than 70 of its soldiers, sailors and airmen in the Falklands campaign.

The ministry said that on Saturday British jets had attacked Argentine positions around Goose Green airfield, 20 miles (32 kilometers) south of the bridgehead, and had set ablaze an Argentine patrol boat in Choiseul Sound east of Goose Green. A British warship intercepted and ran aground a Falklands supply ship that the Ar-gentines had been using.

The ministry said it had no details of casualties in the Saturday

By William Borders

New York Tunes Service

LONDON - Ever since it burst

abruptly into the world's con-

sciousness seven weeks ago, the

crisis over the Falkland Islands has

been a major test not only of mor-

al principle and international law,

but also of the political fortunes of

and Royal Marines fighting their

NEWS ANALYSIS

moving into a new more critical

So far, the prime minister's

tough stand in the South Atlantic

has enjoyed a remarkable range of

political support at home. Except

for the far left wing of the opposi-

tion Labor Party, which insists that the Falklands are not worth

the lives of British Marines, most

members of Parliament - and

most of the public at large, accord-

ing to opinion polls — generally support the government's aban-

donment of negotiations with Ar-

gentina and the reluctant return to

With negotiations abandoned

political test seemed to be

Margaret Thatcher.

Support for Thatcher

Appears Strong Now,

But Will It Endure?

been seen at Goose Green.

British reinforcements poured ashore on East Falkland Saturday as the bridgehead was widened to 10 square miles, the ministry said

John Nott, the British defense nister, said the 3,250-ton Ardent had gone down after being hit by bombs and rockets during intensive air raids by the Argentine Air Force. The four-year-old ship was the second lost by the British task force in the South Atlantic; the destroyer Sheffield was sunk by an Exocet missile May 4.

Reconnaissance patrols report-edly began pushing eastward from the British bridgehead, probing for Argentine counterattacks, and other troops began deploying 105mm howitzers, surface-to-air missiles, anti-aircraft guns and early-warning radar systems.

Mr. Nott said five warships had been hit. A 500-pound bomb ploughed into the engine room of one vessel, believed to be the 6,200-ton light cruiser Antrim, but

cision that was forced upon Brit-ain," former Foreign Secretary Da-

vid Owen, a leader of the Social

Democratic Party, said in an as-

sessment reflecting the multiparty

solidarity that is still the norm.
"We must defend the principle

that aggression will not be reward-

ed. We are fighting this battle for the whole civilized world."

But even as they line up behind Britain's leader, politicians are also

expressing grave doubts and fears.

If a good many young British lives

are suddenly lost in the South Atlantic, there could be a sharp, ca-lamitous reverse in Mrs. Thatch-



A Royal Marine commando watches from his bunker as a landing craft carrying equipment approaches a Falklands beach.

Argentina Says Troops Surround Bridgehead **And Will Destroy It**

BUENOS AIRES — Argentine military officials said Sunday it would not be long before British marines were dislodged from their foothold on the Falkland Islands. The official news agency Telam

quoted a naval spokesman as say-ing that Argentine troops were controlling the situation near Port San Carlos on the west coast of the easternmost island, where the British landed Friday. "The British are surrounded," a

military source told The Associated Press. They have no air or naval support and have their backs to the sea. Now we will start to push

The Argentine source described the British Defense Ministry's claim that 5,000 British troops were on the islands as "fantasy." He said 800 was a generous esti-mate. Some 10,000 Argentine troops are believed to be on the is-

The communiqué Sunday from Argentina's military command said operations were being conobjective of preventing the British from consolidating their position.

Argentine Advance Slow

A senior military source quoted by the independent agency Noticias Argentinas, said the Argentine forces were advancing at a rate of only 400 meters (440 yards) an hour, because they had to find footpaths to approach the British

positions.

Our actions are so far limited to surrounding, harassing and maintaining a continuous pre on the enemy infantry, trying to prevent them from advancing and gaining ourselves as much ground

The Argentine high command has said six planes were lost in a series of air raids that it said had six others out of action.

sunk two British warships and put The three-man Argentine military junta under President Leopoldo Galtieri met again Sunday on the Falklands crisis after talks Sat-

urday that went on into the early morning hours. Gen. Galtieri, who

the leaders were evaluating the military situation.

naval spokesman interviewed by Telam said the British would have tremendous difficulty holding a beachhead. He said the rugged terrain, the lack of essential equipment and logistical support, the bad weather and the constant treat of attack from Argentine forces would make the British po-

Gen. Galtieri said Saturday that Argentina was continuing to hold off British invasion forces, but called for a cease-fire to "pacify emotion and end the hostility.

for the enemy to make up for the losses it has suffered," he said. The air force commander, Basilio Lami Dozo, met privately with Gen. Galtieri Saturday morning, and Gen. Galtieri in the afternoon praised "the pages of glory that the Argentine Air Force is writing."

Despite its losses, the Argentine Air Force and Navy are believed to still have more than 60 American-made A-4 Skyhawks and more than 30 French- or Israeli-made Mirages, in addition to Frenchmade Super Etendard fighterbombers and a variety of smaller or older aircraft.

Gen. Galtieri said that Argentine forces were ready to continue fighting, but that a variety of peace initiatives had been proposed by third countries. He called on "the sensitivity" of the British government to agree to peace.

Buenos Aires Is Oniet

Buenos Aires remained quiet Saturday as Argentine news media ignored all reports from abroad that indicated British successes Widespread reports said that the British invading force numbered only in the hundreds and was badisolated and that Argentine orces were on the way to driving the British into the ocean.

Gen. Galtieri told Pope John Paul II on Sunday that Argentina was willing to stop shooting in the Falklands. He told the pope that morning hours. Gen. Galtieri, who is also army commander, said that pontiff's call for peace.



President Leopoldo Galtieri of Argentina talks to reporters.

indicated British successes.

Gen. Galtieri told Pope John Paul II on Sunday that Argentina was willing to stop shooting in the

Gen. Galtieri told the pope that Argentina was heartened by the pontiff's call for peace. The pope sent identical telegrams urging a halt to the fighting to the Argen-tine leader and British Prime Minister Margaret Thatcher.

Buenos Aires remained quiet heartens us in our constant will to Saturday as Argentine media ig-nored all reports from abroad that a bloody confrontation that we have not sought and that results

ter Margaret Thatcher. climate the search for a peaceful, "Your Holiness' exhortation honorable and just accord."

from an obstinate and intransigent attempt to restore an illegitimate colonial situation," Gen. Galtieri Gen. Galtieri's response to the pope concluded: "the Argentine

nation adheres to your desire and, with responsibility before history, is willing to share a cessation of hostilities that would allow re-establishment of peace and in that

Mitterrand Ends **Ivory Coast Visit**

bombs and bullets.

ABIDJAN, Ivory Coast — President François Mitterrand of France completed a three-day visit here Sunday during which he re-peated France's readiness to encourage economic development in Africa without interfering in the continent's political affairs.

Speaking before the Ivory Coast's National Assembly on Saturday, Mr. Mitterrand called on the international community to help the Organization of African Unity find a peaceful solution to conflicts in the Western Sahara, Chad and South-West Africa.

Mr. Mitterrand completed his stay here Sunday by visiting Yamoussoukro, the native town of President Félix Houphouët-Boig-ny. On Monday, Mr. Mitterrand is to go to Senegal.

Earlier Action "If it turns into a disaster, the

er's political fortunes.

people will resent it deeply, and they will have a right to ask why they were not forewarned," said Frank Allaun, one of 35 leftwingers who voted against the goverament Thursday night.

Or if the government's nerve seems to weaken, with, for example, a quick move back to the negotiating table after military strikes that fall short of occupation of the islands, there could be outrage among the right-wing Con-servative backbenchers, who pressed for firmer, bolder, earlier military action.

Even if the Falklands are reoccupied with a level of casualties that seems acceptable, what then? The Falklands are no prize, and Britain has been trying for years to negotiate an agreement for yielding sovereignty over them to the Argentines. But in the last few days, there seems to be a growing feeling that if the country fights for the islands and wins, "then we ought to bloody well keep them. as a young man put it on a television panel discussion.

Negotiating Posture

Peter Shore, the Labor Party's finance spokesman, who was on the same program, said that the defense budget could easily afford whatever garrison might be required to ensure the islands' security if the Argentines are defeated. If Britain recaptures the islands, its entire negotiating posture with

Related Articles on Page 4:

FALKLAND ISLANDS

■Britain faces the double challenge Monday of maintaining West European support for its position in the Falkland Islands crisis and smoothing over a dispute between itself and the European

■Reagan administration officials say that the Falkland Islands conflict is creating a long-term, major shift in attitudes and poli-cies throughout South America that will inevitably be harmful to

The initial success of the British landings prompted — in the words of one official — "unconcealed pride so much was accomplished so quickly with so little loss of life."

Min a dusty little town in a cornfield five hours drive from the Argentine capital, the people — even those whose relatives are fighting on those remote islands in the South Atlantic — call it la situación, or el problema. No one wants to call it a war.

Argentina will be significantly strengthened. That presumably was the reason for Mrs. Thatcher? declaration in Parliament on Thursday that the various offers made over the past few weeks "are no longer on the negotiating table."

For example, if Britain gains complete control of the islands, then joint military withdrawal ceases to be an appropriate negotiating point.

The apparent termination of the negotiations, with Argentina still maintaining that it wanted to keep talking, was the one aspect of the government policy that did not draw wide multiparty support. Both Mr. Owen and Michael Foot, the Labor Party leader, said it was wrong to close the door to further said in an editorial: "It would be a grave mistake to withdraw any inducement to Argentina to settle at the last moment."

Even as the troops were landing by boat and helicopter, another peace plan was in the works. President Fernando Belaúnde Terry of dent Fernando Belaunde Terry of Peru made proposals that were urgently cabled to Downing Street. Mrs. Thatcher's war Cabinet, which has met almost daily to chart the South Atlantic campaign, studied the proposals Friday morning. But afterward an official close to the writing minister said.

close to the prime minister said: We were in a diplomatic, negotiating posture for weeks. There was no indication -- and there still is none — that the Argentines are serious about negotiating. So, although the risk is enormous, we've now been forced instead to the military option that we tried so hard to avoid. The goal now is simply to get the Argentines off our islands."

Soviet Study Outlines Serious Food Problems

Leadership Is Told of Negligence and a Shortage of Facilities

By Dusko Doder Washington Post Service

MOSCOW - A confidential study prepared for the Soviet leadership has outlined a near-disastrous decline in the Soviet Union's ability to feed itself. The study, made available in

Moscow, provided figures that showed a tenfold increase in Soviet food imports over the past decade, staggering levels of mishandling of agricultural equipment and direct losses of harvested crops due to negligence and lack of storage or drying facilities.

The document, prepared by a

special government commission during the past year, said one-lifth of the grain harvest is lost because it is harvested late or left to rot. The figures given for losses for

other crops are even higher. The study said one-third of the country's potato crop is left to rot. According to experts who took part in drafting the document, about half of potato production - or the equivalent of the entire annual American production — is lost each year because of a chaotic distribution system and lack of stor-

As a result, the study said, an average Soviet citizen is poorly fed, consuming 54 pounds of meat per year less than required by medical standards.
The commission, which pre-

pared the study in cooperation with the state planning commis-sion and 38 ministries and scientific institutes, concluded that "the existing economic mechanism does not provide necessary economic incentives for production increases and fuller use of the potentially available land."

The study has provided the basis for an internal debate leading to a special Central Committee meeting on agriculture, to be held Mon-

The gloomy assessments suggest that the crisis in agriculture may become a touchy political problem. Just what course Kremlin leaders intend to take is not clear, although experts involved in the preparation of the study talked about financial incentives and the need to adopt parts of the "Hungarian model." In Hungary most land is run by cooperatives that have become very profitable be-cause of financial incentives for

A similar Central Committee in the new report, which covers the meeting devoted exclusively to agriculture was held in March, 1965.

period from 1966 to 1980.

For the period 1966 to shortly after Leonid I. Brezhnev replaced Khrushchev as the Soviet ader. At that time, most of the failures of previous years were blamed on Khrushchev.

As it stands, the study prepared

for the Brezhnev Politburo appears to be an indictment of the present Well-informed observers here said that recognition of the need for radical changes may suggest

that the leadership is prepared for decisive action. Other Agenda Items

Monday's plenum is also expected to deal with organizational problems, including the filling of Politburo positions vacated by the recent death of the No. 2 party secretary, Mikhail Suslov. There are widespread rumors of a broader shakeup of the ruling body and there has been an unusual atmosphere of intrigue prior to the meeting, which was originally scheduled to deal exclusively with food. Moscow's ever-increasing de-

For the period 1966 to 1970, the Sovies Union had to import 15 million tons of food, mainly grain food imports rose to 80 million While the document did not

mention the 1981 grain harvest, Western experts said it was around 165 million tons, considerably below the disastrous yields of the preceding two years.

Import Increase Expected

PARIS (UPI) - The Soviet Union has indicated that it will increase grain imports to more than 45 million tons this year.

U.S. Undersecretary of Agricul-ture Seeley Lodwick finished two days of consultations Saturday with Boris Gordeev, the deputy Soviet foreign trade minister, without agreeing to extend the current contract to sell U.S. grain to the Russians beyond the Sept. 30 expi-

ration date. The Russians told Mr. Lodwick pendence on food imports is also their total grain imports in 1981 cited as a major strategic concern were 41 million tons.

INSIDE

U.S.-IRAN MANEUVER --Concerned about Iraqi setbacks in the war with Iran, the United States is reported to be seeking help from Islamic nations to step up pressure on the Iran regime to reach a set-tlement with Baghdad. Page 3.

CANADA'S ECONOMY -There is a growing expectation in Canada that Prime Minister Pierre Elliott Trudeau will have to change his economic policies to deal with Canada's deepening recession. But the alternatives open to him are limited. Page 2.

The five Western nations that have been trying to mediate between South Africa and the South-West Africa Peoples Organization appear to be revising their tactics in an effort to revive the stalled negotiations on an independence

TACTICS ON NAMIBIA -

TOKYO PROTEST -- An estimated 400,000 people flocked to Tokyo Sunday to call for a halt to the nuclear arms race in a demonstration that underlined the growing strength of the disarmament campaign in Japan. Page 2.

Brezhnev Replies to U.S. on Arms Haig Says a Date for Talks on Cuts Should Be Set Soon

hopefully before too long a date

WASHINGTON — Secretary of State Alexander M. Haig Jr. said Sunday that President Reagan has received a reply from Soviet Presi-dent Leonid I. Brezhnev to U.S. arms-reduction proposals and that a date should be set for negotiations soon.

Mr. Haig confirmed that Mr. Brezhnev responded to Mr. Reagan's letter calling for substantial reductions in the nuclear arsenals of both countries. Mr. Reagan disclosed his letter to Mr. Brezhnev in his arms-reduction speech at Eureka, Ill., on May 9.

In that speech, Mr. Reagan proposed a one-third reduction of U.S. and Soviet strategic nuclear warheads. "The focus of our efforts will be to reduce significantly the most destabilizing systems hallistic missiles - the number of warheads they carry, and their overall destructive potential," the president said.

Basically Encouraging

Mr. Haig refused to divulge the contents of Mr. Brezhnev's reply, saying only: "I will also suggest that we anticipate through diplo-matic channels ... to confirm

for resumption of ... negotia-tions."

"I think the response of the Soviets to the president's speech ... was basically encouraging. It was also replete with a number of selfserving posturing statements of a

Tass assails Reagan's new national security plan. Page 3.

propagandistic nature," said Mr. Haig who was interviewed on a U.S. television program. Mr. Haig repeated the administration's contention that a freeze

inferiority in key areas." "Anyone that would suggest that entering into negotiations under such a frozen disadvantage would be an incentive for progress in arms control, I think, has somewhat misplaced his logic," Mr.

on nuclear weapons "would lock

the United States into positions of

Haig said. On May 19, Mr. Brezhnev called for a nuclear freeze, declaring his readiness to reach an accord with the United States that would either ban or severely restrict the development of all new types of strategic armaments.

On the television news program, Mr. Haig also said that "linkage" between Soviet actions on the international scene and the willingness of the United States to negotiate with the Kremlin "continues to be an active aspect of American foreign policy."

"But the president's [proposal] also made it clear that arms control is a very special area of East-West relations and one in which we seek our own vital interests to be realized," Mr. Haig said.

Linkage is not dead, Mr. Haig said. "It remains a very active part and will remain an active part" of U.S. policy, he said. "It is a fact of life that international behavior of nations that have relationships with one another affect the full range of their relationships."

On another subject, Mr. Haig denied that the Camp David Middle East peace process is dead. "Not at all," he said, adding that the return of the Sinai from Israel to Egypt as part of the Camp David agreement is of "major historic

On another aspect of the Camp David agreement, Palestinian autonomy talks, Mr. Haig said: "I believe we're ready to get moving."

By Axel Krause

nul Rerold Tribune PARIS - Jacques Attali, an eclectic 38-year-old Socialist economist whom an admiring U.S. official describes as a "pragmatic Utopian," is directing the preparations for next week's seven-nation summit conference at Versailles.

He has mobilized hundreds of officials in a half-dozen ministries and is supervising everything from topics for the agenda to arrangements for a fireworks display and the installation of an air-defense system on the grounds near Ver-

sailles Palace.
Mr. Attali is one of eight officials from the seven nations and the European Economic Community doing advance work for the

Flights Curbed **During Summit**

United Press International PARIS - French authorities said Sunday that no aircraft will be allowed to fly over Versailles between June 4 and 7.

In addition to the ban, the army has decided to set up six batteries of anti-aircraft missiles and guns around the city. The ban was expected to concern mainly small private

will be on duty to assure security for the foreign leaders. President Reagan, who is due to reach Paris on June 2, is send-

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ing three large helicopters for himself and his party before his The Versailles business community, meanwhile, has said the summit will keep away an estimated 120,000 visitors at a prime tourist season. Its representatives have asked for a special indemnity from the government. The Versailles château and its grounds will be closed to the public from May 24 to

conference June 4-6; they are nick-named the Sherpas, after the Ti-

betan mountain climbers. Widely regarded as intellectually brilliant and fiercely loyal to Socialist principles and to Mr. Mitterrand. Mr. Attali is playing a sensitive, double role during preparations for the meeting, according senior French, European, and U.S. officials.

The role, officials said, involves helping shape the substance of the discussions and possible agree-ments for the conference while also supervising the substantial, and costly, material preparations. Operating from a spacious office forming Mr. Mitterrand's at the Elysée Palace, Mr. Attali is spending more than half the time during

with his staff about the agenda, is-

suing instructions to ministries, ap-

and handling dozens of other chores. He also briefs reporters, al-though he has insisted that he not

proving last-minute budget iter

Big influence

"It is a very difficult task, but Jacques is pragmatic, with a pas-sion for originality, and is at least as influential as Bill Clark in the White House," said a former U.S. official, Myer Rashish, referring to William P. Clark, President Reagan's national security adviser. Mr. Rashish, who resigned in February as U.S. undersecretary of

state for economic affairs, has known Mr. Attali for more than a At their last formal meeting near Paris during the weekend of May 16, they agreed on a draft commu

nique that is now being reviewed by representatives of the United States, Japan, West Germany, Britain, France, Italy, Canada and the EEC "Attali, along with Hormats, has played a key role in getting agree-

ment on economic cooperation, which will be a big theme," said a highly placed source involved in the preparations, adding that "he has proven determined and highly



Jacques Attali: 'An intellectual drawn by action.'

Robert D. Hormats, assistant secretary of state for economic and business affairs, succeeded Mr. Rashish as the Reasan administration's chief staff planner for the

Monetary Issues

Among the accords expected to be in the final communique is one affecting U.S. monetary policy. It is broadly aimed at long term sta-bilization of the value of the dollar on currency markets, and it is linked to the establishment of closer coordination of economic poli-cies between the United States, Western Europe and Japan. Mr. Attali is known to be highly critical of U.S. monetary and fiscal policy and firmly believes the pro-

posed agreement could be the most mportant result of the meeting. With other officials involved in the planning, Mr. Attali is highly fearful that details of the agree-

ment will be leaked to the press before the conference and then criticized, particularly in the United This is not their only worry, the officials said. Apparently no one knows what President Reagan will do at Versailles, and if he will listen to his advisers. Most of them

ciliatory and cooperative regarding the improvement of strained economic relations, U.S. sources said. Also, there is concern that Prime Minister Margaret Thatcher of

are urging the president to be con-

the Falklands and Chancelior Helmut Schmidt of West Germany with regional elections in Hamburg on June 6.

Japan's trade-liberalization package, which is expected to be disclosed before the meeting, also could cause tension, particularly if the plan is judged inadequate by other participants.

"The final testing will come in the way heads of state act when they get to Versailles," said a sen-ior European diplomatic official, adding "neither Attali nor the adding "neither Attali nor the other Sherpas can influence that." Meantime, Mr. Attali is spending much his time on material ar-

Having mobilized hundreds of officials in a half-dozen ministries and with a staff of 10, he is personally supervising everything from selection of gournnet food and subjects for mealtime discussion by participants to approving arrangements for a fireworks display and the installation of an air-defense system on the grounds near Ver-

President Mitterrand has insisted that journalists be well-treated during the summit meeting and on an equal basis. So another of Mr. Attali's key roles has been assuring the smooth functioning of accom-modations for more than 1,500 reporters at the recently refurbished press center. It will be situated in the Orangerie, adjoining the palace, and represents the single largest item in the conference budget.

The cost was recently estimated by Le Canard Enchainé, France's satirical weekly, at between 70 and 80 million francs (\$11.7 million to \$13.3 million) French officials described the estimate as "fantasy."

But the officials declined to provide a figure, stressing that Versailles was chosen by President Mitterrand because it was the handlest and least expensive site available in France.

'Court Jester

Unlike most of his colleagues, who are senior government administrators or diplomats, Mr. Attali is what an admirer in the Reagan administration described as "a pragmatic Utopian." In a re-cent profile, L'Express magazine called him a "court jester." Paris Match described him as "an intellectual drawn by action."

There is truth in each of the descriptions. A graduate of four of France's prestigious grandes écoles, including Ecole Polytechnique, where he still lectures on economic theory, Mr. Attali is the author of eight books dealing with economics, music and medicine. He worked for a leading New York bank in 1968 before becoming immersed in the activities of the

U.S. News Center for Reagan Visit **Brings Complaints From French** PARIS — French government officials are complaining about a U.S. news center being established at a Paris hotel for 300 U.S.

reporters and technicians covering the Versailles summit confet-"Our preoccupation is that the Americans will dominate the

coverage, just as they did at the Ottawa summit last year," a senior.

He said that a large, fully equipped press center for the summit meeting was being established at the Orangeric, adjoining Versailles Palace. We are determined that all the journalists coming to Versailles

will have the same equal access to summit statements and officials —at Versailles," he said.

"If the Americans set up a parallel center to the Orangerie, we

shall consider action, such as cutting the cables." the official said.

U.S. officials in Paris said they were proceeding with plans for the news center at the Meridien Hotel. It is being established by the White House and the U.S. Embassy in Paris and will accommodate U.S. newspaper, radio and relevision reporters and crews.
"We understand the French concern but, organizationally speaking, there are three Reagan visits to France, so there has to be another convenient center," a U.S. official said.

He explained that the separate visits included President Reagan's visit to Paris on June 2-3, his participation at the Ver-sailles conference June 4-6, and the visits during those day by Nancy Reagan to Paris, Normandy and Versailles.

WORLD BRIEFS

WARSAW — Jan Jozef Lipski, one of the leading members of Poland's Committee for Social Self-Defense dissident group, has been re-

Mr. Lipski, who suffered a heart attack after he was interned in De-

cember, said in a telephone interview that he was released Thursday.

"On Saturday, I and my wife received passports for a trip to London for a medical checkup and a possible heart operation," he said. "I don't

Mr. Lipski is a leading official in the KOR, the Polish initials for the Committee for Social Self-Defense. It was disbanded shortly before mar-

tial law was imposed on Dec. 13. News of Mr. Lipski's release came a

day after Zdzisław Paluszynski, a founder of the Confederation for an

Independent Poland and a leading Solidarity official, said in West Berlin that hundreds of critics of the Polish regime are waiting for visas to leave

Costa Rica Mission Back in Jerusalem

Costa Rica and 12 other countries, most of them in Latin America.

transferred their embassies from Jerusalem in compliance with a UN Security Council resolution after Israel passed a law in August, 1980, declaring all of Jerusalem to be its capital. Israel annexed the eastern

The return of Costa Rica's embassy to Jerusalem was a campaign pledge of the newly elected president, Luis Alberto Monge. Israel re-gards the move as a major diplomatic breakthrough and believes other

Chicago Hilton Fire Kills 4, Hurts 11

TERUSALEM -- Costa Rica on Sunday became the first cor

sector of the city after capturing it from Jordan in the 1967 war.

Ailing Polish Dissident Is Released

In an interview with Le Matin Magazine shortly after moving into the Elysée a year ago, Mr. Attali said he began working for President Mitterrand in 1974. The Socialist leader asked him to take charge of economic questions dur-ing his unsuccessful bid for the

presidency that year, and Mr. At-tali has remained close to him ever With title of special adviser to the president, Mr. Attali's main roles are preparing for French participation in international summi conferences and providing counsel on overall strategy of the presidency. The latter involves directing a small staff "reflecting on all the medium-term strategies affecting the evolution of society," he said in an interview with Paris Match.

Mr. Attali confers with the pres-

leased from internment because of poor health.

ant to emigrate and I will return to Poland

move its embassy back to Jerusalem from Tel Aviv.

countries will also now return to Jerusalem.

ident at least twice a day, according to Elysee insiders, and often accompanies him on trips. Earlier this year, President Mitterrand was a witness at Mr. Attali's wedding.

His closeness to the president

has aroused envy and some dis-

trust. But Mr. Attali apparently does not have political ambitions: Mr. Attali is especially intrigued by the impact of new technology on the economies of industrialized and less-developed nations. He has shaped a report on technology that President Mitterrand will present as the first item of business at Ver-

Combatting "the world crisis requires using all the new tools available," Mr. Attalt told Paris Match, "and for those affected, it could represent a kind of renaissance."

Pressures on Trudeau Grow to Change Canada's Economic Course

By Stanley Meisler Los Angeles Times Service TORONTO — There is a growing expectation here that Prime Minister Pierre Elliott Trudeau will soon have to change his economic policies, perhaps dramati-cally, to deal with Canada's deep-

But the alternatives for Mr. Trudeau, unless he is willing to cut Canada's ties to the U.S. economy, are limited and, in the short run, could have little impact. Nevertheless, there is enormous pressure on Mr. Trudean to do something, almost anything, about the econo-

Europe's high prices the brush.

"The overriding danger for Canadians," economics columnist David Crane wrote recently in The Toronto Star, "is federal inaction ... the continuing sense of drift in Ottawa at a time when someone ... should be taking charge of the economic emergency.

Canadians talk about their economy these days with an air of impotence and frustration. Unemployment and interest rates are gher in Canada than in the United States, while domestic inflation - unlike inflation in the United States - has failed to come down.

On top of this, the Trudeau gov- 6 that U.S., interest rates are about project for converting tar sands to oil in Alberta, and when U.S. firms announced a two-year delay in the in the United States. building of the \$33-billion Alaska

At last year's econ Highway natural gas pipeline. Canada had counted on the huge investment required for these projects to stir its economy out of the

Mr. Trudean has hinted that he will take action if he fails to receive assurances from President Reagan at the economic conference in France from June 4 to June

Give the folks back home a picture of Europe and

save enough on the call to paint the town.

When you're having the most colorful trip of your life, let your family and friends have a "look" right along with you. Give them a call. But first, check out all the money-saving tips below, so you can give

ernment took a double blow at the to fall. Canadian rates are usually end of April when oil companies set somewhat higher than U.S. abandoned the \$12-billion Alsands rates, and the pressures of higher project for converting tar sands to rates have helped make the Canadian recession worse than the one

> At last year's economic summit conference in Ottawa, Mr. Trudeau joined other Western leaders in urging Mr. Reagan to lower U.S. interest rates.

The Americans said, 'Give us

for the American high interest rates to drop ... Whether there

six months; it's going to work',"
Mr. Trudezu said recently. "We will ... perhaps not be as patiently willing to wait another six months [after the June conference]

will be a change or not depends on what we hear from the Americans

Lower Interest Rates

The most drastic step Mr. Tru-deau could take would be to lower interest rates below those in the United States. That would revive business and ease unemployment. It would also drive the value of the Canadian dollar — now worth a slightly more than 80 U.S. cents down even more, making Canadian goods easier to sell elsewhere but making imports of U.S. goods more expensive for Canadian con-

ster such a move with wage and price controls to hold down inflation and with a form of currencyexchange control to prevent the Canadian dollar from skidding too

It is hard for many analysts to believe that Mr. Trudeau would go to that extreme, since it would amount to a nearly complete break

with the U.S. economy.

Mr. Trudeau himself has dismissed rumors that he is planning

drastic moves of this sort. He told the House of Commons on May 13 that his government was continu-ing its policy of "not devaluing the dollar and not imposing exchange controls.

The opposition, while lambast-ing Mr. Trudeau's policies, has not advocated any radical changes. Instead, Joe Clark, the leader of the opposition and a former prime minister, hastened to blame the recession on government policies that have increased taxes on business and discouraged foreign investment, especially in the oil in-

For a year, the Trudeau government has maintained that there was little it could do about the was little it could do about the Canadian economy so long as U.S. interest rates were so high. Some government leaders, including Mr. Trudeau, may still accept this argument, but this attitude has helped to lower the ruling Liberal Party's standing in the public opinion polls. ion polls.

According to the most recent poll, Joe Clark's Progressive Con-servative Party would return to power with a majority government if an election were held now.

Thousands Gather in Tokyo For Protest of Nuclear Arms

By Steve Lohr

New York Times Service
TOKYO — An estimated
400,000 people gathered Sunday in
Tokyo to call for a halt to the nudear arms race, in a demonstration that underlined the growing strength of the nuclear disarma-

ment campsign in Japan.
The day's rallies, held at three
Tokyo parks, marked the largest demonstration against nuclear weapons ever held in Japan. Be-cause of the atomic bombs dropped on Hiroshima and Na-gasaki at the end of World War II, Japan has a long history of nuclear

arms protests.

At Yoyogi Park, the scene of the largest gathering, protesters chant-ed: "No more Hiroshima! No more Nagasaki! No more vic-

Meanwhile, 12,000 people muched to the gates of the U.S. Embassy and called for the aboli-

McGovern Speaks

At Ueno Park, George S. McGovern, a former U.S. senator and the Democratic nominee for president in 1972, made a brief speech in which he said that the present nuclear arms buildup must be stopped. Mr. McGovern attended the rally as a special guest of a peace study group, sponsored jointly by leftist and conservative

In all three parks, survivors of

Hiroshima and Nagasaki spoke and pictures of the victims were displayed. Folk music groups sang peace ballads, and pictures of anti-nuclear rallies in Western nations

were on posters. The organizers of the demonstration were a loose-knit collection of about two dozen groups, including Sohyo, Japan's largest labor group, and the Socialist and Communist parties. However, nuclear disarmament activists in Ja-pan have tried to avoid being identified as a vehicle of moderate and leftist political groups.

The success in keeping the cam-paign relatively apolitical is appar-ently a key reason for its substan-tial support, as evidenced by Sunday's turnout.

The nuclear disarmament campaign in Japan is clearly linked to the big protest rallies in Western Europe and the stirrings of anti-nuclear sentiment in the United States. It also reflects an underlying post-World War II pacifism in Japan, whose 1947 constitution outlaws armed forces.

The demonstration took place shortly before a disarmament session scheduled for early June at the United Nations in New York. At that meeting, the Japanese delegation plans to present an appeal against nuclear weapons signed by 30 million of its citizens. More than 25 million signatures have al-

CHICAGO — A fire broke out Sunday morning in an upper floor of the Conrad Hilton Hotel in Chicago's Loop, killing at least four persons and injuring 11, officials said.

A helicopter rescued people from the roof of the hotel and from the top of a hotel marquee. Officials said the blaze broke out on the 20th

floor of the 23-story hotel, spreading thick, choking smoke through the upper floors. The cause of the fire was not known.

Conference Urges Israeli-PLO Talks

HYDRA, Greece - A cultural conference sponsored by France and Greece called Sunday for direct negotiations between Israel and the Palestine Liberation Organization to establish a Palestinian state.

The three-day cultural cooperation conference, formally closed by French Prime Minister Pierre Mauroy and Greek Premier Andreas Papandreou, also said Yasser Arafat's PLO is the sole representative of the Palestinian people. The conference brought together about 100 writers, artists and musicians and the cultural ministers of France, Greece, Italy

Computer Approval Seen for China

TOKYO — A Western group regulating trade with Communist countries, the Paris-based Coordinating Committee for Export Control, has given the go-ahead for American and Japanese firms to export large computers to China, several Japanese newspapers reported Sunday. The United States had opposed such sales on grounds the large computers might be diverted for military uses. Washington apparently changed its attitude after its arms sales to Taiwan strained relations with Peking, the newspapers said, quoting government sources.

Peking, the newspapers said, quoting government sources.

Turkish Premier Ends Cyprus Visit

NICOSIA — Premier Bulend Ulusu of Turkey ended a controversial four-day visit to the northern sector of divided Cyprus on Sunday by telling the Turkish Cypriot community to make better use of its econom-

The visit dealt mainly with the economic problems of the self-proclaimed Turkish federated state, which has been separated from the Cypriot government-controlled south since the landing of troops from Tur-

The Greek and Cypriot governments criticized Mr. Ulusu's trip, saying it violated UN resolutions on the island's intercommunal problems. The Turkish premier said in a departure statement that Turkish Cypriots should take the initiative in creating a viable economy for their part of

Compiled From Agency Dispatches

Gandhi's Party Takes Office in Disputed State

NEW DELHI - Prime Minister Indira Gandhi's Congress-I party, which suffered a setback last week in India's regional elections, suc-ceeded in forming a government Sunday in one of two states where the opposition had forced a stale-

In Haryana state in the north, Congress-I member Bhajan Lal was hurriedly sworn in as chief minister despite a claim by the opposition Lok Dal farmers party that it could form a majority government along with its allies. Gov. G.D. Tapase's swearing-in of

Mr. Lal was against democratic norms. But Mr. Tapase said he had been assured the Congress-I party would prove its majority in the

Setback for Gandhi

The outcome of Wednesday's four state elections and seven par-liamentary by elections was a set-back for Mrs. Gandhi, who had campaigned hard in what was regarded as a test of her popularity midway through her five-year

rnment along with its allies.

Her party was soundly beaten by a Marxist-led front in the eastern state of West Bengal, but led.

state of Kerala. No party secured a majority in Haryana or the state of Himachal Pradesh in the northwest. Congress-I was defeated in four of the seven by-elections.

The Statesman newspaper said in an editorial Sunday, "Congress-I's unimpressive performance in spite of intense personal campaigning by Mrs. Gandhi ... does government's economic record.

indicate disillusionment with the in Haryana, Lok Dal and its ally, the right-wing Bharatiya Janata Party, won 36 seats against

34 by Congress-I and was confi-

an electoral alliance to victory over dent of winning over some of the similar opposition in the southern 12 independents elected to the 91member assembly. Six newly elecied independents could also decide the government of Himachal Pro-desh, where Congress-I and the BIP won 29 members each in the 68-member assembly.

> Gandhi to Visit U.S., Russia. NEW DELHI (UPI) - MA Gandhi will visit the United States in the last week of July and the Soviet Union in September, tist Foreign Ministry announced Set-



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pany Calling Card and collect calls may be placed in many countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other telephone centers.

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raise taxes, cut military and domestic spending and still leave a ederal deficit of nearly \$116 bil-The vote Friday was 49-43, largely along party lines. The final round of badget votes in the Republican controlled Senate came Orangeric, adjusted the Democratic-controlled enter to the Orange

House began debate on half a doz-en budget plans and nearly 70 amendments, with votes not sched-nled until this week and the out-While the White House has indi-

over protests from liberals and

grumbles from conservatives, has

approved a \$784 billion budget for the next fiscal year that would

cated that the Senate budget is accepuble to President Reagan, the

House plan that comes closest to WASHINGTON - The Senate, House Budget Committee and by a

moderate bipartisan coalition. The congressional action follows more than three months of intensive efforts by members of both parties to devise an alternative to Mr. Reagan's fiscal 1983 budget, which was virtually dead when he submitted it to Congress in Febru-

Long Way to Go

Even after the two houses approve their budget resolutions, there is still a long way to go: a House-Senate conference to resolve differences and legislation to carry out cost-cutting mandates in the budget, without which the 1983 deficit could exceed \$180 billion, according to congressional budget

meeting his budget priorities faces crs succeeded in blocking most serious challenges drawn up by the Democratic proposals to restore from infant care to veterans' benefits, the major exception being \$400 million to guarantee full costof-living increases for railroad re-

tirees. The restoration, approved 57-40, would total \$1.7 billion by But the leaders held the line on the next major proposal, which would have extended unemployment benefits for an extra 13 weeks -- to 52 weeks over all - in states with high unemployment, at a cost of \$337 million next year and more than \$1 billion over three years. It was defeated, 52-42. The budget resolution was drafted by the Senate Budget Committee after it unanimously rejected Mr. Reagan's original budget

ers succeeded in blocking most deficit calculated by the Congressional Budget Office at more than spending for programs ranging \$130 billion for next year, with substantially higher revenuespending gaps for future years.

Income Tax Cuts Untouched

The committee's substitute includes \$107 billion in tax and userfee increases by fiscal 1985, compared with the president's proposal for increases of less than \$40 billion over the same period. But the panel did not recommend deferral or modification of Mr. Reagan's controversial individual income tax cuts.

The budget committee's propos-al includes \$22 billion less in military spending over three years than the president wanted. In place of many of Mr. Reagan's controversial spending cuts, it includes a three-year freeze on domestic ap-

on federal workers' pay and pen-sions, which would be followed by 4 percent raises in future years

The budget would cut \$26 billion from major benefit entitlement programs, such as Medicare and Medicaid, although one of its most controversial and ambitious provisions — \$40 billion in savings from Social Security over three years — had to be shelved in the face of opposition from many Republicans and Democrats.

Add-Backs Won Votes

In a further effort to nail down a majority of the Senate, where Re-publicans control 54 of 100 seats, the party's leaders had to agree to additional spending add-backs of \$19 billion by 1985, along with \$6.2 billion in additional tax increases over the same period. In effect, this partly protected several popular programs, includ-ing space and science, housing, Medicare, veterans' health and guaranteed college student loans. These concessions appeased Reoublican moderates but caused anguish among conservatives, who said they might vote against the budget if the deficit crept up any

further.
This was one of the main reasons that Republican leader Howard H. Baker Jr. of Tennessee and Budget Committee Chairman Pete V. Domenici of New Mexico fought so hard to fend off spending restorations, prompting Democrats to claim they were being "gagged" and dismissed out of

hand for partisan reasons. The Senate budget resolution of \$784 billion for fiscal 1983 compares with a budget calculated by the Senate at \$740 billion for the current fiscal year.

Grumbling U.S. Senate Accepts New Taxes and a \$116-Billion Deficit U.S. Quietly Seeks Aid Of Islamic Countries In Stopping Gulf War

Bernard Weinraub New York Times Service
WASHINGTON — The United

States, worried about Iraqi setbacks in the war with Iran, is qui-ctly seeking help from Islamic nations to step up pressure on the regime of Ayatoliah Ruhollah Khomeini to reach a settlement with Baghdad, according to State Department officials.

The efforts by the United States took on a new urgency Sunday as Iran claimed to have launched a major attack that brought its troops to the outskirts of Khorramshahr, an Iranian port city that was seized by Iraq in September,

[United Press International quoted Iran's news agency as say-ing Iranian forces had reached the Shatt-al-Arab waterway and the Western entrance to Khorramshahr. Iraq acknowledged the thrust but said it had prevented the Iranian troops from entering

the city.]
Should Iraq withdraw or lose
Khorramshahr, it would be a major psychological and military blow to the regime of President Saddam Hussein, State Depart-ment officials said Saturday.

They said the administration is concerned about the potential for Iran to thrust into Iraq or, perhaps more likely, "to accelerate pres-sures and resort to subversion from within" in hope of toppling Mr. Hussein's regime.

American officials are approaching Islamic countries such as Turkey, Malaysia, Pakistan, Indonesia and Algeria to help resolve the conflict before it escalates and Mr. Hussein falls.

Wider Threat Seen

If this happens, the officials say, it would present difficulties for so-called moderate Arab nations such as Saudi Arabia, Oman and Jordan and would be potentially far more harmful to American interests than a continuation of the Hussein regime. Arab countries and the United States are especial-

ly worried that Ayatollah Khomeini's Islamic revolution would

engulf Iraq.
U.S. policy is complicated by differing perceptions within the State Department and Congress about the nature of the Iraqi re-

State Department officials insist that Iraq is less supportive of some terrorist groups than Congress be-lieves, and that Baghdad has curtailed its support for radical Marxist groups in the region. They add that Iraq wants closer ties to European nations and was shaken by the Soviet intervention in Afghani-

Congress, however, has not endorsed the administration's efforts to take Iraq off the list of nations abetting terrorism, a move that would allow Baghdad to purchase civil aircraft from the United

Official U.S. policy is to support the independence and territorial integrity of both nations.

Israel Backing Iran

One strange element in the Iran-Iraq conflict is Israel's involve-

State Department officials say Israel's support for Iran - whose press repeatedly voices furious anti-Israeli statements — is "marginal." But intelligence sources say Israel has become an important arms supplier, joining an unusual collection of countries including North Korea, Syria, Libya, the Soviet Union and several Western European nations.

Baghdad, on the other hand, within the last 20 months reportedly has received more than \$20 billion from Saudi Arabia, Kuwait, Abu Dhabi and Qatar.

Climber Killed on Everest

PEKING -A member of a U.S. climbing expedition fell to her death last week while attempting to scale Mount Everest, the Chinese news agency reported Sun-

which, even with its own spending Wallace, Preaching Harmony, Seeks a Comeback

Washington Past Service MONTGOMERY, Ala. — George Corley Wallace is back, riding his reputation as a fiery Southern populist into the Alabama governor's race. He came out of political retirement here Saturday at a festive country picuic, telling thousands of admir-ers that he would seek an unprecedented fourth term

at a festive country paralyzed in the legs, but I promise you I got paralyzed in the head like other politicians, won't get paralyzed in the head like other politicians, with closures at Mr. Mallace said. A crowd of about 5,000 people ate in the old days, while the former government of the politicians of the politicians.

is closeness to be a round and the cold days, while the following in the political states of a paradise lost of jobs, low taxes and racial harmony, reminding supporters how he tanght Wash-month of the cold days, while the following in the political states in the cold days, while the following in the same time for the same kind of frustress of the same kind of t he economies d'un less-developed and tration that is now common in the United States ped a report on and sident Mitternet of Before he was shot in 1972, Mr. Wallace had wor-

Jobs Are Top Priority

nied Democrats by winning several presidential pri-

Mr. Wallace reminded the crowd that he once had had a national constituency numbering millions and noted that Alabama's 13-percent unemployment rate is the second highest in the nation.

"The number one problem is jobs," he said, boasting of the industry he brought to the state as gover-The man who had stood in the schoolhouse door,

opportunities in schools and jobs."

Many blacks say they never had it so good as under Mr. Wallace. Some credit him with encouraging in-dustries that provided jobs for low-skilled blacks.

Politically Expedient

Probate Judge Rufus Huffman, 55, a former field director for the NAACP, said, "I don't believe at any time he was a racist. What he said was politically "You have to give a person credit for

Other blacks, however, cannot forgive Mr. Wallace for vowing "segregation, forever," before winning his first term as governor in 1962. Margaret Gaylor, 28, a black teacher, said, "He lived and breathed segrega-tion; he tried to keep us from going to schools. He may realize he was wrong now, but you can't crase the

Although hard of hearing and often in pain, Mr. Wallace, 62, said he was in good health and brushed aside criticism that he was too weak to govern. At his side was his third wife, Lisa, 32, whom friends credit with encouraging him to make a comeback.

Since stepping down as governor in 1979, Mr. Wal-lace has worked as director of rehabilitative services at the University of Alabama in Montgomery. Four months before the Sept. 7 primary, polls show

defying the U.S. government to integrate Alabama's schools, says he has changed.

"Regardless of your color, we're all in the same fix," Mr. Wallace said to applause from the mostly white crowd. "We can't pay our bills, so we must join together and see all black and white Alabamians have together and see all black and white Alabamians have together and see all black and white Alabamians have together and see all black and white Alabamians have together the useful and the highest negative rating of potential candidates—50 percent—in a University of Alabama poll. The together and see all black and white Alabamians have the same of the together and see all black and white Alabamians have the same of the together and see all black and white Alabamians have the same of the together and see all black and white Alabamians have the same of the together and the together and the same of the together and the same of the together and the same of the together and th vote. Gov. James has until early June to decide. Fob's Critics

Critics of Gov. James are angry at being cut from state jobs after years of tenure under Mr. Wallace. As governor, Mr. Wallace sculpted a loyal state bureaucracy, and many state workers said they yearned for his return.

There is no rapport between Fob and the little man," said Tom Johnston, editor of the Montgomery Advertiser. "They hunger for all the attention Wallace gave them and feel that he can move a stubborn

Barney Weeks, president of the Alabama Labor Council, which represents 257,000 AFL-CIO workers and supported Mr. Wallace for governor when he won in 1970 and 1974, said: "Wallace was always more in tune with working people. And working peo-ple are more frustrated than ever If the election were held today, the others might as well hang it up. Wallace would be elected in a moment."

If he wins the primary, Mr. Wallace is expected to face Montgomery's Republican mayor, Emory Folmer. Slick television ads show Mr. Folmer leading a National Guard unit on a five-mile jog. "I can't run five miles," Mr. Wallace said in an interview. "But I can campaign."



George C. Wallace

Some Vietnamese Killed by Their Chemical Weapons, Defectors Say

By William Branigin Washington Post Service

Lafter he was more: PHANAT NIKHOM REFU-14! he was released !-GEE CENTER, Thailand - Vietssports for a topolar mese troops battling guerrillas Cambodia are occasionally operation he said killed or injured by their own chemical weapons and some have KOR, the Polishment disbanded that been issued antidotes for the pois-Mr. Lipskis niem. on, according to Vietnamese Army er of the Conideral defectors interviewed here.

nis official paints ... Four draftees in their 20s who are a marriages defected to Thailand separately late last year or early this year de-scribed systematic use by Viet-ick in Jense forces of different chemi-orders to reconnaissance batvictims sick or temporarily incapacitate them. And a 36-year-old artillery captain who fought for that Vietnamese troops dumped Hanoi for 16 years before defectest of them a Land ोटका : व स्टब्क्**रिकट स** 7255C 1 IT D 1855 ing in January, 1980, said Viet-namese forces in Cambodia used ो । जिल्ले **अन्तर्ग है**

by the Soviet Union.

Their accounts were largely consistent with the statements of other Vietnamese Army defectors interviewed by U.S. officials within the last month. The defectors told how special units had poisoned water sources used by guerrillas of the Khmer Rouge, which was driven from power by Vietnamese troops

in January, 1979.
One of the defectors, Nguyen Van Kich, a 25-year-old radio opcal agents that can kill, make their talions to use a "poison powder" against Khmer Rouge guerrillas.

He said through an interpreter ponds from which Khmer Rouge guerrillas obtained drinking water.

He said about 300 guerrillas were in July, 1980, in Battambang province in western Cambodia. A week earlier, he said, five soldiers from his regiment died in the same area after drinking from a poisoned pond that they had not been

"A lot of people said the poison powder is made in the Soviet Un-ion," he said. He said packages containing it were marked with words in a foreign language.

Another defector, Vo Nhat

Dung, 25, who can read and write some English, said that the words on the 500-gram packages were Russian but that he did not know what they meant. He said the powder was issued to his unit, the 27th 59th Division, to use in Pailin province in 1980. He also said that. U.S. officials.

He said about 300 guerrillas were poisoned to death in one incident der in June, 1980, some guerrillas were captured after being knocked out by 60mm mortar shells containing a gas that "makes people

> Nguyen Van Kich said that Vietnamese troops were sometimes given small vials of a liquid to drink in the event of chemical exposure if they were going to be "in a dangerous place."

Tran Van Dung, 21, from Ho Chi Minh City, said soldiers were given a capsule about two centimeters long with Chinese letters on it. If the soldiers smelled poison gas, sule, sniff the contents and rur away from the area. A similar anti-

Tran Van Dung, who crossed into Thailand on Feb. 28, said that, while involved in medical evacuation from fighting in January near the Khmer Rouge strong-hold of Phnom Malai, he had seen guerrillas and Vietnamese troops affected by a chemical that caused the eyes to swell painfully, with some bleeding. He said this four Vietnamese died out of about 50 affected by the chemical, which was delivered in 105mm artillery

Swelling and bleeding from the eyes has been among the symp-

tling the Hanoi-backed govern-ments in Cambodia and Laos. The fourth defector interviewed

Friday, Tran Anh Tuan, a 21-yearold sergeant in the 28th artillery regiment of the 5th Division, said three kinds of chemical rounds were issued to his unit. He described two types as potentially lethal and the third as an incapaci-tant, all fired from captured U.S. 105mm artillery pieces. He said he had heard that some of the shells came from the Soviet Union but had not seen any proof.

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Tass Assails Reagan's New Security Strategy

From Agency Dispetches
MOSCOW --- Tass has reacted angrily to the Reagan administra-tion's newly formulated national security strategy, claiming that the plan threatens world peace.

The news agency charged Saturday that the U.S. program was intended to dominate the world

ik theking small "through blackmail, aggression, armed piracy and threats of unleashing a nuclear war." ieli-PLO 🎏 The strategy laid out Friday by President Reagan's national security adviser, William P. Clark, "une-भारत क्षेत्रकात्रका हुई ations bework have quivocally made it clear" that a buildup of military forces remains the basis of U.S. foreign policy obno Great Presser les

ectives, Tass asserted. In a speech at Georgetown Uniin logather about versity's Center for Strategic and International Studies, Mr. Clark-said the Reagan administration intends to modernize strategic nucleeen for 🕼 ar weapons and improve conven-tional armed forces to be able to respond to crises in various parts

Transaction Expension The little was He was critical of the Soviet Un-And the second s ton, labeling it "the most promi-nent threat to our vital interests worldwide" and pledging im-proved "security assistance" to U.S. allies to counter Moscow's de-

· Cyprus Vi Tass denounced Mr. Clark's statement that the United States

Italy May Reward THE PROPERTY OF Guerrilla Suspects For Cooperation

المحتادة الملا للمتناثث ROME — A parliamentary commission has agreed on a draft law that would give suspected urban guerrillas already detained up to ur months to decide whether they want to switch sides and cooperate with the government.

The law would permit magis-trates to give repentant guerrillas reduced jail terms and even provinonal liberty, depending on the harges against them. The proposed legislation, intro-

diced last year after a decade of ssassinations and violence by extiemists, has been criticized by some lawyers as undermining the If approved by Parliament, it

would introduce new clemency rules for detainees who cooperate in the investigation of political viclence up to last Jan. 31. The rewards permitted range from the commuting of life imprisconnent, even for the most violent

sional liberty.

offenses, to the granting of provi-

"must be prepared to respond vig-orously to opportunities as they arise and to create opportunities where none have existed before. The agency said this was widely

interpreted as a "direct bid for an increase in gross interference in the affairs of other countries and Mr. Clark's speech shows that Mr. Reagan's new military strategy "presupposes the use of U.S. troops to provoke armed conflicts

even if that will threaten universal peace," Tass concluded. Mr. Clark said Mr. Reagan has approved a new military strategy in which U.S. forces need not engage those of the Soviet Union on all fronts simultaneously if a war breaks out. This was a significant refinement in the military strategy formulated thus far under the su-pervision of U.S. Secretary of De-

se Caspar W. Weinberger. Drawing from an eight-page Na-tional Security Decision Memorandum approved by Mr. Reagan last week, Mr. Clark said that the ultimate objective of the administration was to "convince the leadership of the Soviet Union to turn their attention inward," suggesting that this would avert Soviet threats

The speech was Mr. Clark's first since moving from the State Department to the White House staff in January. He noted that the president's strategy was the product of a three-month high-level study by all departments concerned with national security.

"Any conflict with the Soviet Union could expand to global di-mensions," he said, but added, "This does not mean that we must have the capability to successfully engage Soviet forces simultaneouson all fronts. We can't.

What it does mean is that we must procure balanced forces and establish priorities for sequential operations to insure that military power would be applied in the most effective ways.

The strategy made official a

Libya Recalls Envoys, Closes Mission in Zaire

BEIRUT - In an apparent break in diplomatic relations, Libya has closed its embassy in Zaire and recalled its diplomats from Kinshasa, the official Libyan press

agency reported.

The agency said Saturday that
the decision was taken in response to Zaire's recent restoration of diplomatic ties with Israel.

officials have hinted at: exploiting Soviet economic weakness. must force our principal adversary, the Soviet Union, to bear the brunt

of its economic shortcomings,"
Mr. Clark said. He gave no details.
In New York, Mr. Weinberger
said that the administration is moving to stop the sale to the Soviet Union of technology that could be used against the United States. On Thursday, U.S. Commerce Secretary Malcolm Baldrige announced a new program to counter the flow of advanced military-application hardware to the Soviet

Until now, the Reagan administration's basic military strategy un-der Mr. Weinberger has called for the U.S. armed forces to prepare for a conventional war with the Soviet Union that would be protract-

Mr. Clark said that the president ordered a review in February of national security strategy, which he said had been "a collection of departmental policies" developed during the first year of the admin-istration.

He said Mr. Reagan was particularly anxious to make sure that discussions with Congress on cuts in military spending and negotia-tions with the Soviet Union on reduction in nuclear arms were based on "a well-thought-through, integrated strategy for preserving

our national security."

When the Reagan administration took office it criticized the Carter administration for basing military budgets on what it said were economic considerations rather than military need. The Reagan administration's ap-proach, however, began to crumble

last summer, when prospects of soaring federal budget deficits led

the administration to reduce pro-

jected military spending for the

next three years.

This month, Mr. Reagan agreed with the Senate Budget Committee to reductions in military spending that Pentagon officials said would bring projected budgets down close to the minimum that the administration thought necessary to

rebuild the military services. Weinberger Report

Mr. Clark's speech appeared to confirm that change. He said that "it is in the interest of the United conflict. The capability for counteroffensives on other fronts is an essential element of our strategy but it is not a substitute for adequate military capability to defend our vital interests in the area in

which they are threatened."
In contrast, Mr. Weinberger's first annual report to Congress in February said that "even if the enemy attacked at only one point, we might choose not to restrict ourselves to meeting aggression on its own immediate front.

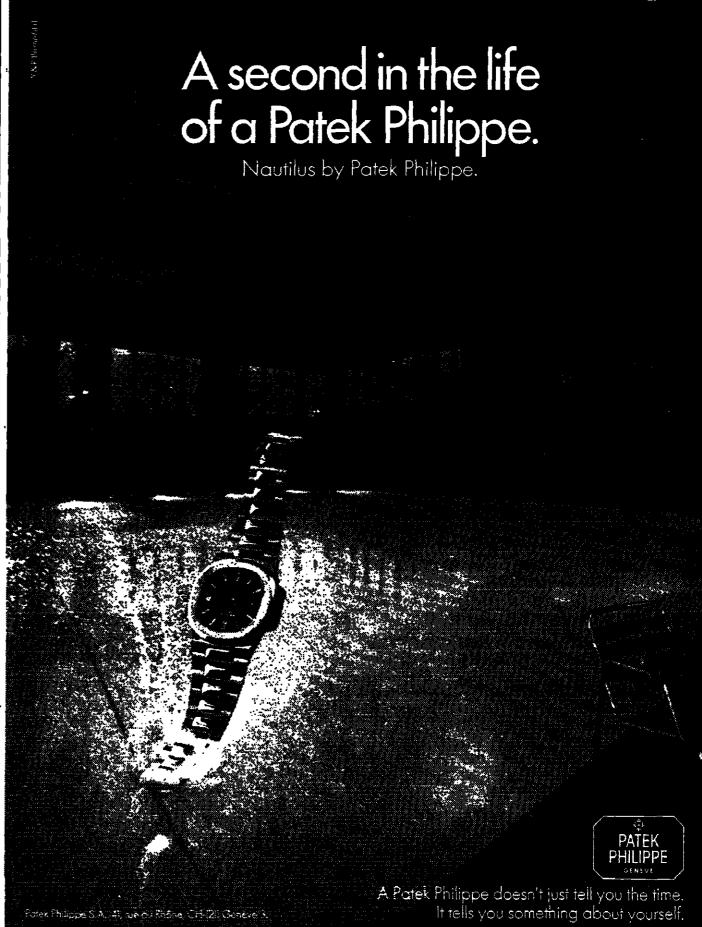
Mr. Clark added another nuance to the new strategy: that the Unit-ed States expected allies or other friendly nations to carry the brunt of defense against attacks from en-emies other than the Soviet Union. This seemed to revive the Nixon Doctrine of a decade ago, in which other nations were to be responsible for their immediate defense while U.S. forces were held in re-

U.S. interests could be put into jeopardy by Soviet surrogates, Mr. Clark noted. But he said that, "in contingencies not involving the Soviet Union, we hope to rely on friendly regional states to provide military forces."

He continued: "Should the threat exceed the capabilities of regional states, however, we must be prepared within the framework of our constitutional processes to commit United States forces to assist our allies."



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On the Argentine Pampas, They Talk Not of War, but Only of 'La Situación'

By Margot Homblower Washington Post Service

CARLOS CASARES, Argentina - The handwriting on the crumpled letter is childish. The words are simple:

"Dear Brother and Sister-in-Law: It is very cold. They sent us to dig a trench for a cannon. I'm on top of a hill. It is a pretty place. You can see the whole sea, the town, the coast. It's all very beautiful but not when you're here like this, sleeping in a cave underground and eating only when the mess truck comes around.

They told us today that the English would come between the 24th and the 28th and the fighting would start, but I don't believe a word of it, because the news on the radio says the negotiations are still going

"Don't worry about me, the only bad thing is the wind and the cold I love you very much and I miss you. Guillenno."

In a small square house in this faraway village on the pampas, Jorge Duverni, 27, reads and rereads his brother's last letter. Until three

weeks, ago, Guillermo, 18, a private in the Argentine Army, wrote his family every day from the Falkland Islands, known here only as the Malvinas.

"But we've heard no news since April 27." said Mr. Duverni, a coach at the local technical school. "We've sent three prepaid telegrams — you get 11 words, no charge — just so he could tell us he's fine. But nothing. Every day I'm scared they're going to tell me he's

"La Simación"

In Carlos Casares, a dusty little town in a comfield, five hours' drive from Buenos Aires, they call it *la situación*, or *el problema*.

More than a thousand miles southeast of here, in the middle of the ocean, men are dving. But it is a situation, a problem. No one wants to call it a war.

Mr. Duverni and his neighbors sit glued to their transistors. But the government-con-trolled radio does not talk about dead Argentine boys. The chatter is of victory and downed

British planes and how the British landing has been "controlled."

"One day we woke up and we heard that we had invaded the Malvinas Islands," said Mabel Gutiérrez, a doctor's wife here. "It is a struggle we were not ready for. We don't want to believe that we are a country at war. We don't think about where this might take us maybe to a third world war."

Defending Territory

For the time being, the doubters are few, No one knows how many have died, so the cost of the April 2 "recuperation" of the islands seized by Britain 149 years ago - is unclear. The hearts of most Argentines still swell with pride that finally, as they have been taught since nursery school, the Malvinas are Argen-

"My brother wanted to go," Mr. Duverni said. We are lighting for Argentine territory. We must defend what is ours. Yes, many mothers are suffering. But if we have to go, we

Winter is coming to the pampas. This morning, a thin coat of frost spread across the flat field of gold and green. Windmills turned slowly. White egrets took refuge among the Black Angus in the shadows of eucalyptus trees. The stillness stretched out to the hori-

This is the breadbasket of Argentina, a vast plain where some of the rich topsoil is 12 feet deep and the settlers, mostly Italian and Spanish immigrants, have prospered, raising grassgrown beef and exporting grain, most recently to the Soviet Union. El Rotary Club and Club de Leones flourish.

Supporting the Cause

The town has done its bit to support the Argentine troops. More than a dozen local youths are serving in the military down south. The volunteer firemen have collected, door to door, for the Patriotic Fund, the government's money-raising effort for the war. The television station here held a 10-hour telethon in

which people donated wedding rings and religious medals to the cause. The farm bureau is holding an auction next week, and all local farmers are expected to contribute cows and

At the General San Martin High School. principal Jorge O. Quintana proudly displayed a flowered notebook full of names, a list the school has compiled of blood donors in case they are needed. Students have sent packages of food, letters and hand-knitted scarves to the front, he said.

As he spoke, a loudspeaker blasted music from the courtyard, where 200 children in white frocks and blue blazers sang "The Malvinas March":

"Although you are absent, you are

Under a foreign flag, No ground is more beloved Than our fatherland in its extension ... The lost oustral pearl."

Jorge Abate, 47, in a modest home adjoining

his bicycle repair shop, is more confused than inspired. His son, Roberto, 19, is a sailor on the 25th of May aircraft carrier. Mr. Abate wrings his grease-smeared hands. Why are the English so cruel?" he asks. They are killing lot of people today."

On television the other night, Lt. Gen. Leopoldo Galtieri, the president, suggested that Argentina might have to sacrifice 40,000 soldiers. "I don't like that," Mr. Abate said. "Be-

fore one boy dies - whether he be English or Argentine — we should sit down and divide up the islands." "Liberty is not easy. Didn't John Kennedysay that?" asked Ruben D. Diaz, a local veteranarian. "We say sovereignty isn't casy either." " Reflecting widespread resentment of the United States, Dr. Dizz said the British would.

never have invaded without the use of the American-leased base on Ascension Island "The U.S. is traitor to the cause of America" he said. "It is no longer the older brother which defends us."

Britain Again to Seek **EEC Support in Crisis**

with two difficult tasks as the Enropean Economic Community's foreign ministers gather for talks Monday — maintaining West Eu-ropean support for its position in the Falkland Islands and smoothing over a dispute between itself

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Francis Pym. Britain's foreign secretary, will meet with other EEC foreign ministers for two days of talks in Brussels, and diplomats said the two problems would be the subject of difficult

An EEC ban on imports from Argentina expires Monday, and Britain wants it renewed. But the failure to achieve a diplomatic settlement on the Falklands and the start of a British invasion of the islands could make some countries

refuctant to extend the sanctions. Relations between Britain and the nine other members of the EEC have been strained by a dispute over farm-price increases and Britain's demand for larger re-funds from the EEC budget.

Full Renewal Unlikely

British officials conceded Saturday that they were unlikely to win renewal of the sanctions against Argentina when the ques-tion is taken up by the foreign ministers. They said they would "be encouraged by some form of support." even though it "may not be in the same manner."

The sanctions, imposed five weeks ago, were extended for one week in Luxembourg May 17 by eight member nations of the EEC Italy and Ireland refused to vote for the extension but promised not to import Argentine goods for that

The brevity of the extension was taken as a sign of the reluctance of

BRUSSELS — Britain is faced with two difficult tasks as the Encopean Economic Community's to negotiate a settlement. In Luxembourg, several foreign ministers said the week's extension was de-signed to allow time to evaluate negotiations, which have since col-

> From the start, Britain's interest in the ban on Argentine imports has been mainly for its value in demonstrating political support for the British cause. Britain's strategy now could be to try to fashion some other form of back-

So far, West Germany and France have been among Britain's staunchest supporters in the Falklands crisis, mainly because of their own fears — Germany's their own fears — Germany's about Berlin and France's about

its small colonies. In Italy, the ancestral home of about 40 percent of Argentines, officials stressed their support for a negotiated settlement and their unhappiness about military action.

For months, Britain has demanded big rebates on its EEC budget payments, and until last week it had continued to veto EEC farm-price increases as a lever for nands. But at a meeting in Luxembourg last week, the com-munity overrode Britain's veto.

The British government has already had to modify substantially its original demands for a multiyear deal on budget rebates. The sums of money involved have also

The foreign ministers will also be discussing Italian-West German proposals for a "European act" to strengthen the community. This will be directly linked to last week's override of Britain's veto.

WHAT DOES

MEAN

TO YOU?



Falklanders in one of the first settlements retaken by the British share tea with a welcome visitor.

Britons Proud, Relieved at News Of an Invasion With Few Fatalities: out soup and tea to the troops and tiations and rumors of war, the in-

Washington Post Service
LONDON — Defense Minister John Nott strode beaming to the rostrum for his news conference and immediately displayed his prize possession - a picture of a Royal Marine sipping at a tin mug of tea and talking to a Falkland Islands mother and her towheaded children.

"I hope you give this picture wide circulation around the world," he told reporters eager for news about the fate of the British invasion Friday of the Falklands. The picture made his point — that British troops were liberating women and children from their Ar-

gentine conquerors. Then - taking advantage of a televised news conference Saturday afternoon, on a day when Britons were glued to the television awaiting the year's biggest sporting event, the Football Association Cup soccer match — Mr. Nott said, The major amphibious landing yesterday was a complete suc-

After weeks of frustrating nego-

U.S. Gloomily Assesses Fallout From the Crisis

By Bernard Gwertzman New York Times Service

WASHINGTON — Reagan administration officials say that the Falkland Islands conflict is creating a long-term, major shift in atti-tudes and policies throughout South America that inevitably will

be harmful to U.S. interests. This gloomy analysis is said to be shared by many of the administration's most respected experts on Latin America and is a reason why the administration has spent so much time trying to mediate the dispute and then, after taking Britpublicly for the British.

"I think we are dealing with a sea of change in South America,' an official said Saturday. "A lot of it will take some time to develop because Latin America is very In conversations with officials

Saturday and in recent days, they outlined the following problems that loom in the future for the United States:

 No matter what the outcome of the Falklands conflict, Argentina is more likely to develop an atomic bomb as a sign of military strength. If this happens, Brazil,

be psychologically pressed to do the same. Such developments would be disastrous to Washington's hopes of limiting the spread

of nuclear weapons.

Traditional U.S. efforts to limit the sale of conventional weapons to Latin America so that scarce resources could be devoted to economic improvement will be rejected throughout the area. Local military leaders will be able to argue that the "lessons of Argentina" are that every self-respecting country must have the most advanced WESDORS.

American political lea in the hemisphere has been dealt a serious blow, perhaps an irrepar-able one, by the decision, taken with some anguish by the administration, to side politically and to a limited extent, militarily, with Brit-ain. In the short term, it may be much more difficult to gain Latin backing for specific projects in Central America, aimed at countering Cuban subversion.

• The Soviet Union, which has for many years been looking for opportunities to gain influence in South America, will undoubtedly be looked to by many countries as an alternate supplier of military the continent's largest power, will supplies and a market for South

American exports, a trend that had been under way in recent years

anyway.

• Washington's backing for Britain is already being translated in Latin America into ethnic terms, with the "Anglo-American-Europeans" being seen as con-temptuous of "Latins," and this could produce a worsening of existing hostility toward the United

Necessary Choice

Senior officials insist that they were fully aware of these possibilities from the start of the Falklands crisis and that is one of the reasons that Secretary of State Alexander M. Haig Jr. undertook his diplo-matic efforts last month to mediate the dispute. It was felt that if Mr. Haig were effective, it could limit the future damage to American policies in the region.

But the administration's most senior officials insisted that in the end a choice had to be made on whether the principle of nonuse of whether the principle of homes of force to settle disputes would be supported or not. And that is why the administration chose, when the diplomatic efforts failed, to side

with Britain publicly.

It was recognized, an official said recently, that the United

States would pay a price in its relations with the Latin Americans for siding with Britain and offering military assistance.

"We were prepared to pay those costs," he said. "It was our judg-ment that if you compromised principles the costs would be far

Dangerous Precedent

He said that the United States still sought closer hemispheric relations and that "there remains a basic convergence of interests" because many Latin American countries have territorial claims on each other, and if the Argentines are allowed to resolve their claims by force, it could set a dangerous pre-

An official said that the United States, to limit the damage, will have to devote considerable energy and resources to the problem of repairing relations with Latin America once the immediate crisis is

"This means that we have to do some creative thinking on what to do and we have to offer the South Americans something tangible, better markets in the United States, a more mature military relationship, and the start of a real dialogue," the official said.

vasion was finally under way, and Mr. Nott was the personification of confidence. "We are back in the Falkland Islands and back in strength," he said. "We intend to ensure that aggression does not

Repossess the Islands Asked what happens next, he

said, "We're not just going to sit on our hunkers. We are going to repossess the islands." He saved the bad news for last.

One frigate had been sunk and about 20 men were missing, adding to earlier figures of three dead and 27 wounded in Friday's fighting. Still, after a night of tension fol-lowing reports of heavy losses as a result of what were described as

virtual suicide raids by Argentine jet pilots, it could have been much Britons breathed a noticeable sigh of relief. Michael Nicholson, a television reporter with the Royal Navy task force, described the mood in the fleet, which undoubtedly mirrored that of many Britons. There is, he said,

concealed pride [that] so much was accomplished so quickly with so little loss of life." Prime Minister Margaret Thatcher also reflected this attitude, saying, "Our boys have been absolutely magnificent, as you

might expect." Headquarters Briefing

Mrs. Thatcher met with her war Cabinet in a session dominated by consideration of the military situa tion, then went to naval headquar-ters at Northwood for a briefing before going to Chequers, the prime minister's country estate.

An eyewitness report of the British landing was provided by Inde-pendent Radio News correspondent Kim Sabido, who went ashore with the commandos from the which was subject to military censorship, Mr. Sabido said:

"As the sound of air and ground attacks still echoed around the bay, we went ashore by landing craft, wading through the water for the last few feet to set foot for the first time on Falklands soil. We marched for three kilometers across boggy, windswept terrain and fanned out with constant heli-

copter support.
"As the weather changed and rain came in, we reached a settle-ment. Some 50 locals, including up to a dozen children, were busy fer-rying ammunition to gunners using their tractors and trailers, dishing providing much needed shelter.

"All the time, Argentine jetfighters screamed overhead, Gray." and black smoke hillowed from around the anchorage." The British popular press was quick to exult, in some cases even

before the casualty toll was known. The Sun, the country's largest. circulation daily, ran a 2 a.m. spe-cial to publish a front-page picture of Marines hoisting the Union, Jack at Port San Carlos. The flag of freedom fluttered again over the Falkland Islands," the newspaper, said, calling the landing "probably, this country's most historic moment since the German surrender of 1945."

So momentous was the event that The Sun altered its war look. The standing headline on Pages 2, and 3 calling it "The paper that supports our boys" gave way to "Back where we belong." The Sun's daily topless beauty, who normally unfurls herself to readers. on Page 3, was pushed back to Page 13.

The Daily Express simply head, lined the story, "We're back." It also focused on problems for the monarchy in the crisis, particularly the fact that Prince Andrew, Queen Elizabeth's second son, is a Sea King helicopter co-pilot in the task force. Seven Sea Kings have crashed due to mechanical prob-

The Express was also concerned. that Prince Andrew's sister, Princess Anne, may have had to shake hands with Argentine-born soccer star Ricky Villa at Saturday's cup final. The princess was introduced to both teams, but Mr. Villa, who has been subjected to booing and catcalls since the confrontation began, decided not to play for his,

team, the Tottenham Hotspurs. Perhaps the photo-waving by Defense Minister Nott was a key over the invasion. For weeks, the press and Defense Ministry had been involved in a mini-war over the Royal Navy's refusal to allow pictures to be transmitted from the task force.

The ministry had cited operational and technical difficulties, but Friday night, with a victory in. hand, pictures were transmitted in .. time to make the morning editions. Another sign of success was that U.S. correspondents were allowed into the ministry for a rare, not.

for-attribution briefing. Many of the office doors were adorned with stickers saying

"Save our Falklands." For Argentine Merchant, a Quest for Scrap Metal Blossoms Into War

By Margot Homblower Washington Post Service
BUENOS AIRES — Constanti-

no Davidoff did not mean to start war. He just wanted to make a

"I am a businessman, that is all," he said. "But one thing is certain. If I had never been born, Argentina and Great Britain would not be fighting."
Mr. Davidoff, 39, is a scrap met-

al dealer, a short friendly man born here of a Bulgarian father and a Greek mother. It was his idea to mount a salvage operation at an abandoned whaling station in the South Georgia islands, and it was his crew that raised an Argentine flag

at the station. This angered the British govern-

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and the counterinvasion by Lon- ties.

his salvage workers will be remembered as one of more bizarre episodes in the Falklands dispute.

Embassy Documents

Mr. Davidoff himself says he is perplexed. Sitting in the three-room office of his Islas Georgias Co. last week, he shuffled through a pile of official papers, thumping his foreigner insistently on the round seals that read "received by British Embassy." The diplomatic fencing that

took place in mid-March between Britain and Argentina began with a British communiqué complain-

incidents that led to the invasion ing obtained the necessary of the Falklands by Buenos Aires clearance from British authori-

But the British consulate here The story of Mr. Davidoff and had known of the expedition for more than a year, had authorized it and had acknowledged receiving the names of the crew, according to Mr. Davidolf's documents.

Last week, Mr. Davidoff was sitting close to his transistor radio, hoping to hear news of his 39 workers who had been captured by the British. "They were supposed to be delivered to Montevideo — that's what I heard on the radio," he said. "Their relatives are calling me for news. But I don't know what is going on."

From conversations with Mr. Davidoff, other Argentines and diplomats here, a picture emerges of the events leading up to the April 2 invasion of the Falklands that included bureaucratic foulups and a series of misunderstand-

To be sure, the climate for conthat was heating up this spring. The Argentine military junta was said to have been looking for an excuse to retake the Falklands, which Britain had seized 149 years

ago.
"I was the drop of water that made the vase overflow," said Mr. workers raised an Argentine flag Davidoff, shaking his head sadly. over their salvage operation, in

uador has taken the lead in seeking

some joint action by Latin Ameri-

can countries against Britain and

has consulted with Panama, Vene-

Peru, although no consensus has

ment at the start of the series of mountainous islands "without hav- As a diplomat here put it, "An op- what was either a prank or a patriportunity came along, and Argen-tina took it."

As pieced together here, the plot unfolded like this: In 1976, Mr. Davidoff, who has made a living recovering telegraph cables off the ocean floor and selling them for scrap metal, heard about three whaling stations in the South Georgias that were abandoned in 1964. He thought he could make some money buying the stations and shipping their contents — including whaling ves-sels, floating docks, boat-repair equipment and machinery used to rocess whale oil -- to Argentina for resale.

an option for three stations with the owner, an Edinburgh company called Christian Salverson Ltd In December, 1981, Mr. Davidoff and seven associates, after receiving permission from the Brit-ish, sailed to South Georgia for a few days to inspect the stations. "It was very routine," he said. "The British told me to let them know when I wanted to go again, on what boat, with how many people and the date of arrival." On March 9, Mr. Davidoff gave

In September, 1979, he signed

the information to the British consul, David Joy, and sent his crew to the islands. Upon arriving March 19, the

otic gesture. The flag was spotted by a group of British Arctic researchers,

camped about five miles across the bay at Grytviken. The researchers, according to one diplomat, "grab-bed their ham radio and called to London, By God, the Argies have landed!" 'Tit for Tat'

In the Falklands, 800 miles to the west, a group of islanders broke into Argentina's national airlines office at Stanley, decorating it with a Union Jack and the message "tit for tat," inscribed with toothpaste.

On March 22, the British Foreign Office protested to the Argen-tine government that the crew had landed illegally. The Argentine Foreign Ministry replied that the merchant marine ship that had brought Mr. Davidoff's crew was fulfilling a commercial transport contract for a private business con-

However, when Britain reported on March 24 that the Royal Navy ice patrol ship Endurance and a party of British Marines had been dispatched to the South Georgias to deal with the scrap workers, Argentina responded by sending a ship to "protect" the crew from forcible removal.

Meetings took place between the

British, who insisted that Mr. Da-,

vidoff's workers should have stopped in the Falklands to have their entry cards stamped, and the Argentines, who insisted that the workers were legally going about

As the quarrel grew more heared, Argentina sent more warships. Britain sent another vessel.

Argentina then asserted that not only had the scrap workers ob-. tained adequate documents butthat since South Georgia was a do-pendency of the Falkiands, long claimed by Argentina, the Davi-doff crew was on Argentine soil.

By that time, the invasion forces . were on the way. Argentina cap-tured South Georgia on April 3, a day after it took the Falklands. The British fleet has since recaptured South Georgia and has moved against Argentine forces in the Falklands.

the British. "Why should they have sent a warship, the Endurance, to. take our men away?" he asks.
That was ridiculous. What if I went to North America and raised an Argentine flag? They would just take it down and say I was nuts."

Mr. Davidoff said he borrowed.

Mr. Davidoff blames the war on.

"This is going to ruin me."

To complicate matters, stories are circulating here that the Davidoff incident was a deliberate plot

presugious newspaper. What would Davidoff want with those sheds and huts? The whole thing is rather fishy. He's been evading the press. The military needed some thing to provoke the British. It must have been planned a long

plot theory, looked for a minute as if he might cry. Then he got angry. "I'd like to know who said that." he said. "I'd take them by the collar and throw them out the win-

ment, which then took actions that ing that Mr. Davidoff's workers offended the Argentine govern- had landed illegally on the remote **WORLDWIDE ENTERTAINMENT** ...is the only magazine which ensures across-

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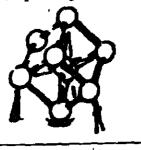
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Caribbean Nations May Suspend U.K. Ties New York Times Service MEXICO CITY — The Spanish-speaking countries of the Caribbean region, who have supported Argentina throughout the Falklands crisis, are reportedly discussing the possibility of suspending diplomatic relations with London following the landing of British troops on the islands Friday. Diplomatic sources here said Ec-

yet emerged.

Argentina has not yet requested military assistance from Latin American nations, although both Cuba and Nicaragua are on record as having offered to send troops. The crisis has resulted in a rare

display of Latin American political unity, with some of the strongest expressions of support for Argentina coming from countries of the troubled Caribbean area, notably Venezuela, Panama, Cuba and Nicaragua. All these countries have condemned U.S. support for Britzuela, Nicaragua, Mexico and

a low profile, apparently eager to

prevent the dispute from affecting The sources also indicated that

of the islands by Argentine forces. Significantly, Mexico was one of Mexico, in contrast, has adopted ly closed, will be called back into

its relationship with the United States. In a statement Friday, the Mexican Foreign Ministry "lamented" the new use of force in the conflict. Although supporting Argentina's claim to the Falklands. Mexico condemn. I the occupation

only three Latin American nations not to send its foreign minister to a meeting on the issue at the Organization of American States last month. Diplomatic sources said the meeting, which was not formal-

\$2.5 million to finance his scrap business over the last six years in hopes of earning more than \$10; million. "I have a mountain of, debts and no recourse," he said,

by the junta to start the war. "It is too curious," says Maximo Gainza, publisher of La Prensa, a

time ahead."
Mr. Davidoff, when told of the dow. I am not a politician, I do not work for the state."

Zambians Await a Sign Of Some Reward From Kaunda-Botha Talks

By Alan Cowell New York Times Service

LUSAKA, Zambia - In public Ruben D. Didn't long to outcome of last month's meeting despread without between President Kenneth D. T. Diaz and the botween President Kenneth D. T. Diaz and the between President Kenneth D. T. Diaz and the long to the longer the other than hard and Prime Minister Pieter ded without the longer the other last month's meeting base on Assessant the border between South Africa tor to the case of the border between South Africa no longer the other last meeting the longer the lon

NEWS ANALYSIS and Botswanz on April 30, and the encounter elicited harsh criticism because it was not previously cleared with the Zambian leader's

Front-line colleagues.

The alliance, made up of Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe, is by cradition black-ruled Africa's oup and lea to the ations concerning the advent of ations conc Il the time.

The outery against the time distribution to make the control of conflict that transformed white-ruled Rhodesia into independent ruled Rhodesia independent ruled Rhodesia into independent ruled Rhodesia into independent ruled Rhodesia into i

of conflict that transformed whitenied Rhodesia into independent
to could be seen to coul edom fluttered in lease from detention of Robert D. and Islands the lease from detention of Robert D. Mugabe and Joshua Nkomo, the calling the least to indecalling the lange; men who led the guerrillas to inde-country; may pendence in 1980. Mr. Mugabe is ent since the Gene, now Zimbabwe's prime minister and Mr. Nkomo the minority leadmomentous 😼 🛊 . at.

The Sun altered as standing heading as According to Zambian and standing heading at Western sources, Mr. Kaunda car-ied with him several signals for Mr. Botha.

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'One, as subsequently publicized, was the message that South Afri-can whites must talk to the "true" leaders of the country's black majority, such as Nelson Mandela, whose release from imprisonment the stop, West Mr. Kaunda reportedly sought. The alternative, in the Zambian from the mix pine should be according to a Zambian source, re-

plied that he would discuss the marter with his colleagues, causing some small sense of encourage-

According to Zambian and Western sources, Mr. Kaunda also gave an assurance that South Africa need not fear for its security if South-West Africa (Namibia) becomes independent under a government run by the South-West Africa People's Organization.

The SWAPO insurgents are fighting a guerrilla campaign against South African dominance in South-West Africa and are armed and supported by the Soviet Union and its allies. In the Zambian view, however, the guerrillas are not "puppets of Moscow," but na-tionalists who would not allow their country to be used as an operational base by the Soviet-sup-ported guerrillas of the African National Congress, which opposes white rule in South Africa.

Zimbabwe Parallel

A prominent Zambian, in tune with official thinking, compared the Namibian nationalists to Zim-babwe's guerrilla fighters who, he said, had at the insistence of the Front-line countries refrained from offering bases on Zimbabwean territory to the African National Congress.

"We did not allow it in Zimbabwe; we would not allow it in Namibia," the Zambian source

A consensus among Zambians and Westerners here is that Mr. Kaunda would not have taken the political risk of meeting Mr. Botha without guaranteees that his efforts would be rewarded. But, on the Namibian issue, Mr. Kaunda's assurances about the guerrillas seem to have been partly contradicted by the insurgents them-

The guerrilla group rejected the latest Western proposals for a set-tlement a day after Mr. Kaunda met Mr. Botha, and U.S. officials believe that the Soviet Union had already told the guerrillas that Kremlin support would not waver



Pieter W. Botha

if the insurgents chose to dismiss the Western plan.

Zambians almost seem to be scouring the horizon for an omen from Pretoria, as evidenced by an editorial Tuesday in The Times of Zambia, a newspaper that sees its role as an interpreter of official policy to its readers and as a conveyor of popular sentiment to the government. The column reflected on remarks by Mr. Botha last weekend in which he urged South Africans to "make peace with neighboring African states."

The editorial was clearly intended, in part, as a signal to Pretoria. It congratulated Mr. Botha and encouraged him to continue in like vein. "The so-called gospel according to Kaunda is seemingly paying dividends," the article rejoiced, while cautioning Mr. Botha to avoid playing for time and to call off his military strikes into Angola, Namibia's northern neighbor.

The comment was evidence of a profound desire by Zambians to see some recompense for Mr. Kaunda's extension of the olive branch after years of making sacrifices on behalf of others in southern Africa's liberation wars. You've no idea how isolated we Zambians have become among other Africans after the meeting with Botha," a Zambian said.

Despite the April 30 meeting, South Africa last week raided southern Angola, where the Nami-

Western Mediators Seem to Change Tactics on Namibia

Yew York Times Service

JOHANNESBURG - The five Western nations that have been trying to mediate between South Africa and the South-West Africa People's Organization appear to be revising their tactics to revive the stalled negotiations on an inde-

When they laid out the ground rules for their latest initiative last year, the Western nations said that the negotiations would be divided into three phases and that agreement from both sides would be needed at each stage before formal proposals were made to resolve the issues in the next one.

That approach failed this month when the insurgents spurned both a proposed voting formula for the election of a constituent assembly and the phase-by-phase approach itself. Now, according to Western begun on the proposals for the next phase, which concern the major sides in the dispute on South-West Aftica (Namibia) went to Geneva to and the role of a UN peacekeeping

Indications are that these proposals will adhere closely to plans originally drawn up by the United Nations four years ago and will not reflect major concessions to South Africa. SWAPO, it appears, will then be asked to reconsider the voting issue in the context of the broader proposal.

There is no indication that South Africa has agreed to reconsider the complex voting formula, which would mix the proportional representation system of voting with direct election on the basis of defined constituencies. But there is speculation that South Africa has agreed to help speed up the negotiations by dropping its major objec-tions to the old UN plan.

discuss a cease-fire date. South Africa then said it would be impossible to discuss a date until the United Nations demonstrated its "impartiality" by rescinding a resolution recognizing the insurgent movement as the "sole and authen-tic representative" of the Namibi-

South African diplomats later insisted that they could not agree to the stationing of 2 UN force in the former German colony, which South Africa received under a League of Nations mandate after World War I.

an people.

Now "impartiality" and the role of the UN force appear to be fad-ing as issues. South African officials decline to confirm a press report from London that they have already accepted the proposals for the next phase, but last year's ma-

jor issues, which were expected to be the big stumbling blocks to the present initiative, are now dis-

cussed as if they were minor. If this stance is maintained. there will be heavy pressure on SWAPO to put aside its objections to a voting formula to achieve a cease-fire that would end the guerrilla fighting in the northern part of the territory. Otherwise, the movement will have cast itself in the role of the recalcitrant party, which South Africa formerly played.

The movement's reasons for objecting to the voting formula have been about as obscure as South Africa's reasons for insisting on it. But it appears that the movement felt that the Reagan administra-tion was tailoring the tactics of the Western group — the United States, Britain, Canada, France and West Germany - to accom modate South Africa.

South Africa's reasons for insist-

ing on the mixed voting system, in which each ballot would, in effect, be counted twice, seemed to result from two conflicting aims. One is to ensure that rightist whites supporting the National Party in the territory are represented in the assembly that would draft the constitution for an independent Nami-

Since the whites are almost everywhere outnumbered by blacks. this can only be insured under the proportional representation sys-tem. But that also happens to be the system that most favors SWAPO, whose support is thought to be heavily concentrated in the

northern part of the country. Since it is South Africa's other main aim to see that the insurgents fall short of the two-thirds vote that would be necessary to control the assembly, it follows that it also

favors the system of direct voting as a way of diluting the movement's support

${\it V}$ isa Crackdown Infuriates Ethiopians in U.S.

By Caryle Murphy

Washington Past Service WASHINGTON — The news stunned Washington's Ethiopian community. For days its members talked of nothing else. A few called their bosses and said they were not coming to work, they were going to hide. Others called lawyers. Com-

munity leaders set up emergency The U.S. State Department, citing "stabilized" conditions in Ethiopia, had revoked a special visa arrangement that had allowed hundreds and possibly thousands of Ethiopians to live and work indefinitely in the United States because of the turmoil and violence in their country since a Marxist

The initial shock has abated, but the bitterness, outrage and fear created by the decision still dominate the Ethiopian community

takeover in 1974.

home] I would not have a minute to live," said a 31-year-old, parttime student and taxi driver who, like hundreds of others, has received a notice to leave the Unit- Ethiopians were on file. Of the 159

State Department officials say the decision to change the policy last August reflected two things: a finding that random violence has abated somewhat in Ethiopia and a desire to stop what they regarded as an abuse of the visa process by Ethiopians.

None Deported Yet

The U.S. Immigration and Naturalization Service has not made a special effort to seek out Ethiopians whose visas are no longer being extended and no one has been deported yet because of the policy. After Ethiopians receive a notice to leave the United States, they can apply for political asylum, a process that can take up to 18 months and one the State Department says will protect the truly endangered from expulsion.

But most asylum requests from Ethiopians are being turned down for lack of sufficient proof that the petitioner would be in danger if he or she returned to Ethiopia. For example, at the end of January, 1,389 asylum applications from

processed between October and then, 119 were denied and 40 ap-

Eventually some Ethiopians "will be deported because there are so many of them," said Dan Bart-lett, assistant district director of the immigration service for deportation in Washington.

The Ethiopian Committee on Immigration, formed to lobby against the new policy, estimates there are at least 25,000 Ethiopians in the United States and says "the overwhelming majority" are affected by the new ruling.

Many Ethiopians say they would like to return home if and when conditions there show drastic improvement. But they believe that is unlikely to happen soon, so over the past few years they have formed the basics of a resident community here.

'A Giant Loophole'

The visa change comes at a time when the United States continues take in Ethiopian refugees.

Concern about Ethiopians circurrenting this official refugee

change, according to one U.S. government source. The move was meant to close "a giant loophole" which increasing numbers of Ethiopians came to the United States in 1980 and 1981 on tourist or student visas and then applied

for the special visa extension. One person who favors the State Department's decision was the charge d'affaires of the Ethiopian Embassy, Tesfaye Demeke. He called it a "legitimate" decision because "Ethiopia has one of the most stable governments in Afri-

His government has offered an unconditional amnesty to all exiled Ethiopians, who "would be better off morally, maybe not materially, if they could utilize the skills they have acquired for the betterment of the people at home rather than engaging in the manual labor they do here now," he said,

Mr. Demeke said some Ethiopians were already returning home and he blamed the "negative" U.S. press coverage of events at home for the reluctance of others to do

China Commands Its Artists: Obey And Be Humble

The Associated Press

PEKING - China celebrated the 40th anniversary of Mao's dictates on art Sunday by ordering artists to be humble, live with the masses, discard "perverse trends"

and obey the Communist Party. China no longer honors Mao's pronouncement that politics must ake command of art and that artistic merit must be secondary. Despite a relatively freer atmosphere, however, art for art's sake is still taboo and China demands that art serve Socialism.

The state has issued warnings

against a few pessimistic writers who question the wisdom of the Communist Party, the superiority of Socialism, the virtue of China's leaders and the nation's future.

The official People's Daily quoted a speech on art by Vice Chair-man Chen Yun, who wrote in 1943 what the party is demanding of artists today: They must first see themselves as ordinary Communist Party members, not as special, cul-

Conservationists in Zambia Worried Express was about By Growing Trade in Rhino Horns

Rocky Ville is Small New York Times Service The princes as as LUSAKA, Zambia — Conserva-·in icams mi 推復 tionists who seek to protect Zameen subjected to book bia's wildlife herds are concerned is since the agreemen over conflicting developments that avadei az a daj fe may represent an increase in the the Tottema hope illicit killing of thinoceroses, a dethe places clining species in most parts of Af-

the 120 1901 for the Luangwa National Park, the main preserve of Zambia's rhinos, reported increased sightings and Navy singst of the animals, the number of thinoceros horns being offered for

Michael Faddy, a conservationand technical de ist, said that poachers have been caught in the past two weeks trying to sell eight horns for about \$1,100 each. "There are a lot more PERSONAL PROPERTY. rhino horns coming into Lusaka we have ever had before," he : अत्रकार विद्याप्त **स्थ**े

Coincidentally, the future of some of Zambia's wildlife patrols

Cevdet Sunay, 82, Former President Of Turkey, Dies

ISTANBUL — Former President Cevdet Sunay, 82, whose term of office between 1966 and 1973 was dominated by feuds between politicians and the military, died Saturday in Istanbul, state radio reported Sunday.

Mr. Sunay, a military man, was comparatively unknown until he comparatively linknown that he emerged as chief of staff of the Turkish Army in 1960. Six years later he was elected president. In March, 1971, Mr. Sunay was

at the center of a major political crisis when the military forced the resignation of Premier Suleyman Demirel's conservative govern-ment and demanded an adminis-

tration above party politics.

In the months that followed Mr. Sunay persuaded Nihat Erim to form a government acceptable to the military. During the early 1970s, Mr. Sunay was a key figure

Louis Gerardin

-PARIS (AP) — Lonis Gerardin 69, a French cycling great during the 1930s and 1940s better known as Toto, died here Sunday. Over a 20-year period, ending with the French professional championship in 1950, he was one of the bestknown and most popular cyclists winning 10 major titles.



is in doubt, he said, because a contract with the World Wildlife Fund to finance anti-poaching units is to end in December and it is not clear where other funds will come from.

Zambia's herds of elephants, rhinoceroses and other animals have been reduced over the years Mr. Faddy said, seem to have powerful connections.

One reputed poacher was re-cently caught with 36 elephant tusks. The man produced official certificates of ownership, but the weights shown on them did not tally with those of the tusks. He was charged with illegal possession of ivory, and at the time similar accusations against him were awaiting hearings in several other courts.

ted after his lawyer said that he was transporting poached ivory to hand over to the authorities when he was caught. Conservationists believe that the man's frequent acquittals have resulted from high-

Daggers and Aphrodisiacs

The fate of the rhinoceros is of particular concern to conservation-ists in Zambia. A ceasus by the UN Food and Agriculture Organization in 1973 estimated the number of rhinos at 8,000. By 1978, a survey by Ian Douglas-Hamilton, a wildlife expert, put the figure at between 1,700 and 2,000 — an estimate that Mr. Faddy said may

Rhinos are hunted mainly for their horns, which are used, in Yemen in particular, for highly

sought-after dagger handles. A powdered form of the horn is also sold in the Far East as an aphro-

The smuggling of the horn is highly organized, Mr. Faddy said, and trade runs from Zambia, Organized Poschers Yemen and the Far East. In one seizure in 1980, he said, the West of them from Zambia

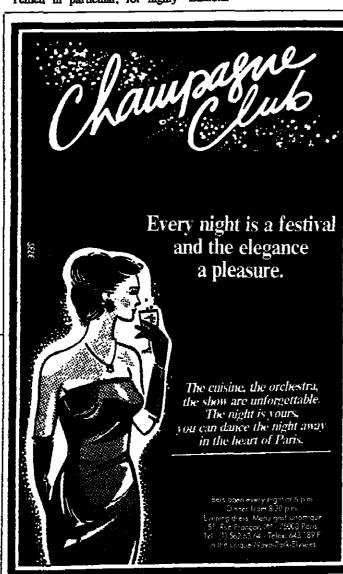
Although the 1973 and 1978 censuses were carried out by different methods, there was so much concern about Zambia's that in 1979, the World Wildife Fund agreed to finance anti-poaching units run by an organiza-

In 1980, the units arrested 220 persons suspected of poaching, and in 1981, they arrested another The man, however, was acquit-346. In the same period, they re-covered 32 rhino horns, seized 198 firearms and brought in 557 elepoached and some from animals that appeared to have died of natu-

> Mr. Faddy, who is chairman of the Save the Rhino Trust, ac-knowledged that organizers of the poaching rings, some of them be-lieved to be foreigners, have managed to clude the authorities. In the meantime, concern is

focusing on the rhino horn sales in

Lusaka. Mr. Faddy said small-scale poachers who had not been aware of the value of rhino born now believe it is worth its y in gold. Another theory is that poachers in neighboring Zim-babwe are bringing rhino horn into have been excessively optimistic.





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Herald INTERNATIONAL Tribune Published With The New York Tinues and The Washington Post

South Atlantic War

Two Flags: And Now, Enough

Britain has evidently retaken a piece of the Falklands — enough, at least, to plant the flag and transform the contest. This is an impressive military feat for an armada far from home, but it has exacted a bitter price. Scores lie dead. Britons and Argentines. Even through the mist of censorship and propaganda, one can see the grim wreckage of diplomacy. Two flags in the Falklands should now revive it, and end the bloodshed.

What was it all for? No vital interest was at stake for either nation. One answer is tragically familiar. Humankind is at its foolish and bloody worst when it fights for flags and anthems; in Swift's sardonic view, it murders

over the proper way to crack an egg.

But there was another reason, best given by Prime Minister Thatcher. By invading the Falklands, Argentina turned a diplomatic dispute into a military aggression. Unless it was resisted and punished, the deed would encourage aggression elsewhere.

That argument is abstract but persuasive, the more persuasive for the tyrannical character of Argentina's government and the obvious wish of 1,800 Falklanders to avoid its domination. The argument well justified support for Britain by the democratic nations.

But now the point has been made. The aggression has been punished and denied success. The Argentine junta has abandoned its arrogant view that the seizure was not negotiable. A British flag and foothold in the Falklands gives both sides an equal incentive to bargain in good faith. Just as important, the new situation gives both governments a politically safe perch from which they can move toward a tenable compromise.

The latest round of negotiations actually brought the parties very near to a deal. Argentina finally agreed to withdraw its troops provided that Britain pulled its armada out of the South Atlantic. Both looked to a neutral interim administration. And there were at least vague suggestions that the result of the negotiation need not be pre-ordained.

Yet after stiff-arming the Argentine claims while they held the islands these past 149 years, the British were properly fearful of a trap. They knew how important tenancy and squatters can be in protracted territorial disputes. And so they were reluctant to leave off the battle while Argentines retained a unilateral physical or logistical advantage. Now that both sides are militarily established in the islands, the interim arrangements are likely to be more fair - and more interim.

Once blood was spilled, both governments became hostage to powerful domestic pressures. Neither is likely to survive a settlement that is perceived as a defeat. That points toward a delay in the determination of ultimate sovereignty, ideally through submission to the World Court. It also points to a contractual governance, engaging the consent of

both nations, for a lengthy interval.
Two flags in the Falklands should allow importing a third, from the United Nations. Then a cease-fire can be credible and tolerable. Argentina will have bloodily bought a squatters' place at the table. Britain will have bloodily regained its seat. That is about all the jingo honor that either side should require, or expect. If this conflict justified the loss of life, it no longer does.

THE NEW YORK TIMES.

A Settlement Remains Possible

When the Falklands crisis began, people in many places warned each other not to take it as a Gilbert and Sullivan opera, but in fact many people - although not the British military — did so take it. They can do so no more. There were casualties earlier, but they occurred in a limited context, and negotiations promising the end of the conflict were still going on. Now casualties are being inflicted and taken in a much more open-ended context, and no negotiating process is alive. Real lives are being lost. The fate of governments, perhaps even the future of nations, is in the balance. There are ominous if uncertain global implications. It is war.

Mrs. Thatcher faced an excruciating dilemma: whether to stay in negotiations and risk losing a diminishing military opportunity, or to break off negotiations and accept the heavy risks and costs of battle. Leading as she does a democratic society, she is sure to be faulted as well as praised for the decision she took. But the important fact now is that she took it, and that she took it in the name of a principle — to prevent conquest by force — that is central to Western tradition and to the requirements of world order. It is essential and it is right that the United

States should be on the British side. As difficult as was Mrs. Thatcher's decision to escalate military action, she will inevitably face a second and, in its way, no less difficult decision: the conditions on which to stop the fighting. She has removed from the table the concessions Britain had made in

weeks of negotiating. That puts upon her an urgent requirement to formulate her terms soon. This will be no easy thing, especially if the military action produces, as it could, casualties and conspicuous losses of hardware but also something less than a prompt, clear-cut verdict. The claims of honor can generate conflicting judgments of how far and how long a nation should fight on. Mrs. Thatcher's judgment will be of consuming interest to her people and to her allies.

The curse of this war - of almost all wars - is that nations do not look ahead. The Argentine junta, for instance, actually seems to have believed it could pull off its little aggression scot-free. What is for the United States still mostly a diplomatic embarrassment, and for Britain still mostly a crisis of one government's policy, is for Argentina a climactic moment in its national life, an event likely to shape its politics and cultural orientation for years. The Argentines cannot be confident of what may come next.

At the United Nations, the secretary-general has passed the burden of diplomacy back to the Security Council, where Britain's veto guards any unacceptable turn. Yet a negotiated settlement remains essential. Blood thickens emotion. But if emotion can be kept from entirely blocking a rational consideration of national interest, then the differences between Argentina and Britain, which appear to be eminently susceptible to resolution, can surely be closed.

THE WASHINGTON POST.

Other Opinion

'An International Crisis'

Although Gen. Galtieri now wears the tunic of peace and expresses astonishment in the face of Britain's armed action, it is obvious that the hostilities in the South Atlantic were initiated by Argentina.

There will be hundreds of dead and an international crisis because of the infamous adventure of a military regime which in the past devoted itself to torturing its citizens, and which has behaved like an armed gang. - From El Pals (Madrid). . .

The Falklands war is absurd and painful. The British forces, as was expected, have set out to regain the islands, despite the world's ardent hopes that the fend be settled through diplomatic chanels. This is a war that must be stopped as quickly as possible.

- From Ya (Madrid). For the United Nations machinery, and especially for the new secretary-general, the escalation of the war is a serious setback. Members of the Latin American UN group are expected to react against what is now happening, in one way or another. But no member of the world organization can accept that Argentina tried to take the law into its own hands by use of force, because that

would be to violate the UN Charter. - From Verdens Gang (Oslo).

Having sided with Britain morally and otherwise, the United States nonetheless has to worry about the divisive impact of the

intensifying Falklands conflict on its Latin American relations. Washington's place as the linchpin of the hemispheric order and solidarity is in jeopardy.

- From The Japan Times (Tokyo).

In Britain's Long-Term Interest

It would be unwise to expect - as Mrs. Thatcher seems to do -- that restoration of British control of the Falklands and the expulsion of the Argentine forces will mean simply a return to the status quo. It is unlikely that the Argentines would swallow such a national humiliation without further action.

It would mean a prolonged state of siege for the Falklanders, and possible risks for tens of thousands of Britons still living in Argentina. Faced with continuing Argentine hostility, Britain would have to maintain a costly garrison in the South Atlantic, supplied by vulnerable convoys over 8,000 miles. She would face diplomatic isolation, not merely from South America as a whole, but possibly from some Western allies nearer home. Even if the present junta were toppled, defeat in the Falklands would merely provide a demagogue's pulpit for whichever future politician preached loudest for revenge.

To lay the ghosts of the future as well as establish peace in the present, it is in Britain's own long-term interest that victory in the Falklands should leave Argentina with some political exit.

- From The Observer.

May 24: From Our Pages of 75 and 50 Years Ago

1907: Punjab's Plague Exploited

LAHORE - A wild state of excitement prevails at Hasan Abdal, a village near Rawalpindi. A statement had been circulating in the village that there is no such disease as the plague, but that the government for dastardly reasons had been dispatching emissaries throughout the Punjab to poison the drinking wells, killing 100,000 people weekly. (The actual mortality from plague has been about 75,000 a week lately.) This statement has been traced to a Hindu who has been sentenced to two years' rigorous imprisonment and fined £33. An accomplice who allegedly dropped mysterious balls into the wells, claiming that he did so by order of the government, has also been scatenced.

1932: Dry Congress Defeats Beer

WASHINGTON - The third attempt by wets in Congress to force through the legalization of beer with a heavy tax as a revenue-producing measure met with defeat again when the House voted 228 to 169 against. The vote came after a bitter debate in which the wets accused the prohibition forces of trying to intimidate Congress. The vote was the second test of the prohibition problem during the present session, and the wets did not muster the strength of several months ago when they recorded 187 votes on a measure to consider a nationwide referendum. Efforts to legalize beer by an amendment to the revenue act that would fix a tax of 3 cents a pint have twice been defeated in the Senate.

For All Its Failings, the United Nations Helps

PARIS—It has come to seem natural that the United Nations should be as busy talking as Britain and Argentina are busy fighting in the Falklands. This is a moment to consider the world organization's value.

For some, the present situation is evidence that UN gabble is a failure. Certainly, initial high hopes for a world order in which nations would settle their disputes without force have been dismally disappointed. Bigpower cynicism and small-state hypocrisy and logrolling have traduced the aspirations of the drafters of the UN Charter.

Fresh from World War II, they were not innocents who relied on good will and moral argument to resolve conflict. There were long debates about how to provide military teeth, a police force to impose what were

expected to be evolving international rules.

But it was never possible to establish a standing army. Attempts to send the United

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t might force compliance to a higher rule of law. Nor have political condemnation or economic sanctions proved effective.
Still, the Falklands dispute shows how far

still, the Falklands dispute shows how far attitudes have begun to be permeated by the ideas underlying the United Nations.

It was only in this century that the notion of war changed from a glorious, exhilarating test of man's highest capacities to an occasional tragic necessity. Britain has gone to

war for no special national interest, neither conquest nor security, but in defense of a principle against military seizure of land

Whether this particular game will be worth the candle is another matter. In the gradual way that human perceptions shift, the United Nations has helped spread recognition that violation of that principle is Nations into battle in Korea and Zaire a danger for all, even if some countries get

By Flora Lewis

SI, SENORA

WE OF THE

JUNTA FEEL

WAY!

THE SAME

(Congo then) discouraged further ideas that away with it. No human laws are perfectly enforced, yet they remain valid.

It is even considered essential nowadays to advance some kind of historical claim, no matter how involuted, as justification for grabbing territory. Being able and ea-

ger is no longer enough.

Self-determination is another UN notion, urged on Europe a generation earlier by Woodrow Wilson and now endorsed worldwide, although with some ugly reservations. Perhaps it has been carried to excess at times. Certainly it has complicated the world system. But it has been largely accepted as a

system. But it has been targety accepted as a superior rule to the dominion of strength. Soviet support for Argentina's stand on the Falklands should not be surprising, despite sharp political and ideological differences, and it probably is not only opportunity. unistic. The Soviet Union kept lands it

World War II. There is a long list of borders revised to Soviet benefit: Finland, the Baltic states, Poland, Germany. Czechoslovakia, Romania and Japan. Moscow supports "wars of liberation" in areas beyond its control but opposes any thought of self-determination for peoples it dominates. The Kremlin continues to fight in Afghanistan.

The United Nations has never been able to prevent or reverse these challenges to principle. But it has broadened a sense of the value of asserting it in a world where so

many are weak and so few are mighty.

Unfortunately, the United Nations has also enhanced the idea of national soverage. ty, a contradiction of its original aim, since a world order based on law and cooperation would inevitably limit national rights. It went a step beyond the impotent League of

Nations, but it also encouraged a profilera-tion of adamant, self-righteous states.

With all its failings, its pettiness at times, the United Nations is still the place the world turns to when war comes, because it still represents peace. There is nowhere else

still represents peace: There is nowhere else, because there is no regular concert of powers—and without one the United Nations can achieve only small successes.

If it has put no inuscle on the arm of the law, it has developed the idea of peacekeeping forces to maintain fragile settlements when conflict is half to investing when conflict is half to investing what wish. victory. It is hard to imagine what might have taken its place in Cyprus and the Mid-dle East. Even the new Smai multinational

dle East. Even the new Sinai multinational force, which could not be established under the United Nations because so many states oppose Camp David, was clearly inspired by UN experience. So are the attempts at regional peacekeeping, in Chad for example. There are many reasons to be disillusioned with the world organization, which most of the time remains a forum in which nations plead their demands, instead of a focus for the communal needs of markind for the communal needs of mankind.

Still, given the long reign of warfare, it has managed in a rather short time to move public perceptions on the proper relation among societies. Now, if the United Nations can help settle the Falklands dispute under its own flag, perhaps with British and Argentine flags alongside, it will advance its claim to being the slow but most worthy trainers. to being the slow but most worthy staircase up from the prehistoric pit of war.

©1982, The New York Times.

Palestinian Autonomy and the U.S.-Israeli Memorandum

WASHINGTON - Secretary WASHINGTON — Secretary of State Alexander Haig is whipping up a big speech on U.S. policy in the Middle East. He wants to give great weight to the importance of revitalizing top-level, trilateral negotiations between the United States, Israel and Front on the second phase of the Egypt on the second phase of the Camp David accords: "full auto-nomy" for the Palestinians on the West Bank and in the Gaza sector.

President Reagan is ready to make the same pitch when he meets Israeli Prime Minister Menachem Begin next month. It all has the ring of movement.

But wait. On Tuesday Israel's rough, tough defense minister, Ariel Sharon, is due in Washington

for talks with Haig and Defense Secretary Caspar W. Weinberger. He wants to give great weight to revitalizing the famous "memoran-dum of understanding" on strategic cooperation between the United States and Israel. He will get, one learns, a sympathetic hearing.
And that strikes me as an almost

perfect measure of the cross-purposes inherently at work in the Reagan administration efforts to press the cause of stability and

tranquillity in the Middle East. The memorandum was negotiated last year. It provided for a loose defense alliance between the United States and Israel, including modest cooperative arrangements. But it also contained specific assistance for the Israeli arms industry, including direct American purchases and credits to finance Israeli and third country purchases, all to the time of a tidy \$500 million.

Ironically, it awaited final ap-proval of the Israeli Cabinet when Begin abruptly all but annexed the Golan Heights. In retaliation, the Reagan administration "suspended" the arrangements, leaving the more likely to be the case when

NEW YORK — At the eco-

coming up at Versalles from June 4 to 6, President Reagan should bear in mind that Europeans, Jap-

inese and Canadians are increas-

ingly worried about the economic

crisis and the danger of it tearing

Even more than they did a year

ago at Ottawa, they are blaming the United States for aggravating the crisis by pursuing fiscal and monetary policies that have kept interest rates so high. It would be a

mistake to try to brush their wor-

ries aside. It would be far better

for Reagan to acknowledge the real threat to the Western alliance.

His aim should be to persuade these nations that he is facing up to the gravity of the crisis and in-

tends to work with them to solve

it. He should accept the principle

of subjecting all national economic

policies to greater scrutiny by members of the alliance.

United States is not solely to

blame, and that the problems are

not simply a result of the reces-

And he can propose, as some of his advisers have suggested, estab-

lishment of a commission to make

recommendations for solving

especially among young people, in

that he would take recommenda-

tions seriously if he declared his in-

tention to reduce the huge pro-

spective budget deficits in the United States by working out a co-

operative plan with Congress. The

other nations know that there now

seems to be little chance of a genu-

ine compromise to drastically re-

duce the delicits before the No-

vember elections, and possibly not for a long time after them. Uncer-

chronic unemployment problems

sion, but lie much deeper.

all the industrial countries.

He can certainly argue that the

the Western alliance apart.

nomic summit conference

morandum alive but inert. When last seen, it was being shredded by a raging Menachem Begin. "No sword of Damocles is going to hang over our head." he declared. He said he would inter-pret "suspension" as "abrogation." The people of Israel, Begin told American ambassador Sam Lewis.

American ampassador Sam Lewis, had lived 3,700 years without a memorandum of understanding with the United States, "and they will continue to live without one for another 3,700 years." So there. Except that he didn't mean it — and neither, really, did the Reagan administration. En-

couraging signals have been ex-changed. Now Sharon is heading for Washington to try to reassem-A case can be made - and administration officials are making it — that the memorandum is a thing

apart from the peace process, that relations with Israel are sticky that this sticking point is one that ought to be got out of the way. But this is a good case only if you believe that a memorandum of understanding with Israel will ac-

tually make it easier to get on with the work of Camp David, and here the evidence runs to the contrary. For one thing anything that smacks of a security pact with Israel is anothems in the Arah world Weinberger reportedly never liked the idea in the first place, for fearit would turn off the Saudis. among others, from strategic cooperation with the United States.

The same may be said for its effects on Camp David. A United States in military alliance with Israel is a suspect intermediary in a

Versailles: A Brief for Reagan

By Leonard Silk

tainty about the deficits is under-

mining confidence in Reagan's

program and reducing hopes for bringing down interest rates and building a sustainable recovery.

The trade issue, with protection

ism rising throughout the industri-

al world, needs to be addressed.

But it cannot be introduced in lieu

of dealing with the problems of

shump and high employment, on which protectionism feeds. The United States should call

for strengthening the international

trading system and should make

that call meaningful by recommit-

ting itself to most-favored-nation

principles. It can certainly call for

full support for the General Agree-

ment on Tariffs and Trade at

GATT's next meeting in Novem-

ber. The system needs stronger

rules to safeguard trade in services

and direct foreign investment. But none of this will mean much if

America continues to yield to pro-

Other nations may construe

U.S. insistence on "reciprocity" as

a euphemism for protectionism un-

less it is made clear that the con-

cept is seen positively — that is, as a means of expanding liberal trade

principles - rather than negative-

ly, as a form of economic hostility.

As Gary Hufbauer of the Interna-

tional Law Institute at George-town University warns: "Whatever

dress it takes, reciprocity remains

ers are matched for barriers, con-

cessions are matched for conces-

sions and trade balances are

matched for trade balances - all

consensus on East-West trade. It

should press for withholding so-

phisticated, military-related tech-

nology from the Russians, but re-

cognize the legitimate interest of other countries in maintaining

Washington should strive for

on a bilateral basis,"

tectionist pressures.

It would increase confidence at bottom a bilateral policy. Barri-

By Philip Geyelin

you consider what "strategic coop-eration" with the United States means to Ariel Sharon.

It means America as a partner and supporter of a grand strategic concept that would stretch the is-raeli "sphere of influence" from Pakistan to Central Africa It means the development, with U.S. help, of the Israeli defense industry and Israeli arms technology to degree that would make Israel qualitatively superior to any con-

But, far more important as re-

problem, "strategic cooperation" with the United States means to Sharon at least implicit acceptance of his particular sense of Israeli security requirements. On this point he has repeatedly made himself clear: Even with the West Bank territory forever under Israeli control, Israel suffers from a "lack of territorial depth."

gards a solution to the Palestinian

At the very least, Sharon concludes, Israel must "establish a strong territorial defense system, based on populous and high quality settlement of key border areas"
— West Bank, Gaza, Golan, In short, what Camp David would acgotiate is not negotiable.

That Sharon is the architect of current Begin government policies amounting to relentless de facto amexation of the West Bank strengthens the point. It is one thing to treat the memorandum as a separate issue. It is quite another to revive it in any form that gives even implicit American blessing to an Israeli strategic concept that slams the door on Camp David's concept of "full autonomy

01982, The Washington Post.

Against Japanese Rearmament By Glen S. Fukushima

MAMBRIDGE, Mass. — For to spend more on defense and thus the past decade the West has ease the burden on U.S. taxpayers. Even sophisticated observers argue been preoccupied with its economic frictions with Japan, at the exthat U.S. economic productivity pense of the political dimensions will lag until Japan is forced to of the relationship. As a result, lit-tle attention has been paid to the Reagan administration's attempts

to put pressure on Japan to build up its military capability.

Defense Secretary Caspar W. Weinberger recently proposed that Japan increase military spending by 8 percent a year until 1989 in order to assume responsibility by the end of the decade for defending sea lanes up to 1,000 miles from its principal cities. Japan's 1982 budget contains a 4.6-percent

increase in military spending. Many Westerners see the mili-tary issue in purely economic terms. Businessmen complain that Japan's postwar growth resulted from a "free ride" on U.S. military expenditures. U.S. congressmen

denounce Japanese unwillingness

trade with the East. As the U.S. Business and Industry Advisory Committee to the OECD has put

it, "The continuing absorption into

the free world economy of countries like Hungary should not be

impeded by crises originating in Poland and other less well-man-

The West's greatest asset in its relations with the East is doubtless

its technological provess, and it should use its high technology to

demonstrate the effectiveness of

Mitterrand has put such heavy

oping high technology with the

help of the state, it would be a

good and generous idea to credit him with this contribution to the

summit conference in the presence

main aim of every president or prime minister will be to come

down from the summit looking

like a reasonable leader. It would

be wonderful if, this time, there

were substance behind that image.

01982, The New York Times.

From a political standpoint, the

stress on the importance of devel

Since French President François

free economic systems.

of his own people.

aged East European countries."

divert some of its technological resources to military use. These economic arguments are

tion of armed forces — a docu-ment that has served for nearly 40

True, some Japanese have long called for repeal of Article 9 and the establishment of a strong military, to replace what they perceive as U.S. unreliability in defending Japan and to counter a potential Soviet threat. Some have advocated a Gaullist stance, including nuclear weapons. But these voices are a minority. Most Japanese take oride in the non-belligerence em-

A militarily powerful Japan

in Japan of America's declining economy, most Japanese remain firmly convinced that politically, economically and militarily the United States is Japan's best friend. Forcing Japan to remilitarize would provoke anti-American resentment in some circles and

not entirely groundless; Japan needs to do more to open its do-mestic market and to help rectify trade imbalances. Overlooked, bowever, are the implications of a militarily powerful Japan. Such a development would be a

profound transformation for the average Japanese citizen. It would mean nullification of Article 9 of Japan's constitution, with its renunciation of war and prohibiyears as a reminder of the horrors of World War II and as the cornerstone of the postwar commitment to national economic welfare.

bodied in their constitution.

ould mean a fundamental change in the relationship with the United States. Despite the criticism heard bolster a "go it alone" attitude

among neo-nationalists.

America, which already has trouble coordinating policies among its allies, might find a mil-

tarily self-sufficient Japan a less cooperative Japan. In addition, a significant Japanese military buildup would provoke Soviet hostility. Since their defeat by the Japanese Navy in 1904-1905, Russians have been extremely sensitive to any hint of Japanese militarism. Japa nese aggression in the 1930s and 1940s, coupled with Japan's role in aiding the United States during the Korean and Indochinese conflicts. did little to allay these fears.

And rearmament would cause serious problems for Japan's relationship with its East Asian neigh-bors. Some anti-Soviet governments might welcome a greater Japanese military presence, but most Asian countries that suffered at the hands of Japan less than four decades ago have not forgotten. For them, economic aid and technological cooperation are what Japan can best offer.

The writer, a lawyer, is former di-rector of the Japan Forum at Har-vard University's Japan Institute.

LETTERS

Title to Ulster

William Borders reports from Dublin (IHT, May 12) on "what is regarded here as Britain's illegal occupation of the northeastern corner of this island."

After a judgment of the pope 700 years ago in favor of England, the territory has been continuously under British government ever since, and in present times every election there shows that about two-thirds of the population want it to stay that way. Few governments in the entire world have

as good a legal title.
The reasons why Irish republicans sympathize with Argentina Matara, Sri Lanka.

are only too obvious, but let us not on that account debase either our reason or our language.

J. WILLIAMS. Montanare di Cortona, Italy.

A Sri Lankan

If the unnamed associate of Sir Fred Hoyle referred to by Philip M. Boffey in his article "The Survival of Charles Darwin" (IRT, April 22) is Chandra Wickrama singhe co-author with Sir Pred Hoyle of "Lifecloud" and "Diseases From Space," he is not an Indian but a Sri Lankan.

RAJAH WIJETUNGE

Herald Eribune

John Hay Whitney (1904-1982) Chairman

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Bond Dealers' Vote Is Break With Past

By Carl Gewittz VENICE - For the first time in its 14-year history, the Association of International Bond Dealers has adopted a rule affecting how Euro-

bonds are issued.

Rules of the AIBD, which was founded in 1969, had been concerned first with bringing order to the secondary market. It had nu-

EUROBONDS

merous recommendations regard-ing the primary market, but until now the dealers group had never ventured to tell issuing houses how they should run their business.

The freedom of issuing houses has been a source of heated debate within the AIBD since its found-ing Although AIBD members function as both issuing houses and traders, attempts to codify pri-marily market procedures have always been voted down. That changed at last week's AIBD anmual meeting in Venice.

The change came on the approval of a rule affecting convertible recurities. The regulation is designed to eliminate the sometimes months-long limbo when an investor has neither the convertible bonds nor the underlying stock to trade due to delay in getting the bond to the agent and getting the shares from the agent to the inves-

The members voted to upgrade from a recommendation to a rule "issuers of convertible bonds shall have agents in Europe, New York and Asia with the authority to cancel bonds presented to them for conversion and to instruct by cable or telex release of the shares to the order of the party presenting the bonds."

. No one was willing to forecast that the AIBD would charge on from here to regulate the primary market, but the first rule in that direction was taken by many dele-gates as a milestone for the associ-

The AIBD also voted to increase minumum round lot trade to the equivalent of \$25,000 from \$10,000. Proponents argue that the increase recognizes the shift that has taken place away from a market dominated by individual inves-tors to to one dominated by institutional investors. As a result, prices for transactions involving smaller amounts will be discretion-

In another vote, the AIBD acted to enlarge its membership by creating a new status of associate memher for institutions such as central banks or international clearing systems that could not become full members. The associate members cannot vote, take part in elections or put forward candidates for the board.

Few New Issues

Because of the AIBD meeting and a midweek holiday, new issue activity was light. Philip Morris launched a \$200-million, 12-year zero-coupon issue through its Philip Morris Credit NV unit. The issue was priced at 22.25 to yield 13.34 percent.

Ottawa Carlton issued a 40-mil-Jion bond, due 1997, with a coupon of 14.75 percent. It was priced at 99 to yield 14.92 percent. A \$50-million, 14½ percent issue for Illinois Power Co. was priced at 99%. Lead manager for the is-"sue, which matures in 1989, is Credit Suisse First Boston.

In the convertible sector, Orient Leasing Co. said from Tokyo it will issue a \$20 million, 15-year convertible bond in Europe with payment due on June 15 through underwriters led by Daiwa Europe nd Morgan Guaranty. The margins on the bridging
Other terms of the bond, maturloan are fairly attractive for such a and Morgan Guaranty.

U.S. Service Sector **Cushions Recession**

Extrobond Yields* Week Ended May 19

Int'l inst. lg. term USS ... 14.30 %

Ind. long term, USS..... 14.33 % Ind. medium term, USS . 15.69 %

EUA long term 12.06 % Int'l inst. ig term LF 11.62 %

FL long term 11.62 %

Market Turngver

Week Ended May 21

ing on Sept. 30, 1997, will be de-cided Thursday.

West German banks plan to is-

sue 1.83 billion Deutsche marks of

Eurobonds in the next 51/2 weeks,

one of the largest programs ever set by the capital markets sub-committee, bond market sources

said last week.
About 20 bonds will be

launched, and the subcommittee will meet next on July 1.

The offerings began Friday with the issue of 100 million DM for the

Council of Europe Resettlement

Fund. A wide variety of issuers is involved, including Philips Gloeilampenfabrieken, due on June 1, and Commission Federal

de Electricidad of Mexico, planned

Tetal Dellars Mon-dal 5,760,7 4,980,9 779 5,760.7 4,980.9 779.8 9,779.0 9,042.3 736.7

Can.S medium term.....

French fr, medium term . Int'l inst, ig term yen ECU medium term By Karen W. Arenson

New York Times Service NEW YORK — It is easy to count cars and trucks rolling off assembly lines and ingots of steel being poured. So as production of manufactured goods has slumped, the depth of the U.S. recession has seemed alarmingly clear.

But the very visible plunge in manufacturing somewhat over-states the distress of the economy, for most of the widely followed economic indicators ignore the myriad of services — from medical care to banking to advertising — that account for about two-thirds of the United States' economic activity.

Although these less visible products of labor are more difficult to measure than manufactured goods, they have played a major role in cushioning the recession's impact, as they have in so many

"The service sector is very much a stabilizing factor for the economy," said Irving F. Leveson, director of economic studies at the Hudson Institute. "Service industries tend to have much less fluctuation in employment than goods-producing industries. And to a lesser extent, they also have less fluctuation in wages and

Airlines Hit Hard

Of course, not all service businesses are recession-resistant. Some, such as the airlines, have clearly been hit hard in recent months. But while employment in the manufacturing sector tum-bled by 1.3 million jobs between July, 1981, and April, 1982, em-ployment in the service-producing sector rose by 217,000 jobs.

"Not every service industry is going up, and not every manufac-turing industry is going down," said Samuel M. Ehrenhalt, the regional commissioner of labor statistics in New York for the U.S. Department of Labor. "But even though this is one of the more severe recessions in the postwar period, and even though this recession is well past middle age, we still are having job gains in white-collar jobs, and in services in general."

Service-producing companies have also been important in for-eign trade, bolstering the U.S. current account.

"Banking and other service sector contributors enabled the United States to turn last year's \$28-billion merchandise trade

deficit into a \$7-billion current account surplus," said Walter B. Wriston, chairman of Citicorp. There is no simple way to define services. The wide range of activities they encompass includes transportation, public utilities,

The Recession-Resistant Services Sector Employment (April '82 Change in 000's) (in 000's) Transportation and Utilities 5,167 5,100 - 67 -1.3% 5,301 - 59 -1.1% Wholesale Trade 5,360 15,436 15,552 + 116 +0.8% Retail Trade Financial, Insur., Real Estate 5,371 + 27 +0.5% Other Services* 18,952 + 310 +1,7% 18,642 49,949 50,276 + 327 +0.7% Private Sector Services 15.882 - 110 -0.7% Government 15.992 Services Total 65,941 66,158 + 217 +0.3% 1,151 + 19 +1.7% 4,026 - 246 -5.7% 20,535 19,258 -1,277 -6.2% 25,939 24,435 -1,277 -5.8% Goods-Producing Total includes employment in the following industries. health, education, legal, data processing, advertising, credit and collections, lodging and hotels, personnel

Dividing U.S. Employment Goods-Producing Between Goods And Services Services

wholesale and retail trade, finance, health, education, business services and entertainment. Even government comes under the

Depite the many differences among these activities, economists find it useful to look at them as a group, as distinct from the four (Continued on Page 9, Col. 2)

Reactor Firms Compete Fiercely to Win Mexico's Business

By Douglas Martin New York Times Service

MEXICO CITY — The polished pitchmen from Canada, France, West Germany, the United States, and Sweden have become familiar figures along the tree-lined streets and elegant corridors here. They have been engaged in an increas-ingly determined effort to sell Mexico a nuclear power plant that they hope will open the door to

many others.
Their job isn't getting any easier.
Last Tuesday the Mexican government amounced that any decision on Mexico's nuclear energy pro-gram would be shelved until at least December, when the next administration takes over. And with exico now pinched by declining oil revenues and a huge foreign debt, there are doubts that a decision on the program will be made much before 1984.

For the world's nuclear power industry, which has pinned its hopes on Mexico's plans to buy as many as 20 nuclear reactors, the announcement could set back efforts to overcome a severe sales

The industry sold just 10 reactors last year, mainly in countries that are big oil importers, and the industry has been viewing Mexico's proclaimed eagerness to become a major generator of nuclear power as perhaps the best opportu-

LONDON - Mexico has asked

for a large short-term loan to tide it over until its \$2.5-billion Euro-

credit is signed next month, bank-

Mexico had requested a \$1-billion, 30-day bridging loan from lead managers involved in its planned jumbo Eurocredit.

The sources said late Friday that

"This is the name of the game in keeping the U.S. vending industry, alive," Dickson Hoyle, Westing house's director of international nuclear affairs, said before last week's announcement. Westing house, General Electric and Com bustion Engineering have bid separately for the Mexican job.
"We're all in the same boat,"

Canadian diplomat said. "This is

the only game in town."

said the company had received no formal notice from the Mexican government that the nuclear project was being deferred or caned. In fact, according to John Burk, a spokesman for the nuclear energy systems group. Westing-house received requests for further information on its proposal from Mexican utility officials as late as Thursday. "Until we receive for-mal word, we're going ahead as be-

fore," he said. At General Electric's nuclear energy division a spokesman said the company did not consider the Mexican government's decision a setback. "It's a waiting process,"

nity to sell reactors for the next said Hugh D. Hexamer, director of decade. Orders are drying up in communications. These evalua-advanced industrial nations, and tions always go down a long road. advanced industrial naurono, even such eager customers as Right now, we're taking use south Korea are slowing their can government at its word, that the project will be continued at the frame."

> Tenders for the plant were presented in February, with the expectation that a decision would be announced in August. The ruling party's candidate in the July 4 elections, Miguel de la Madrid Hurtado, has not addressed the nuclear question so far, but his aides say that restrictions on major new infrastructural investments will continue into the next administration.

With the weaker-than-expected government's resulting stiff austerity program, Mexico may decide it not afford another nuclear power plant, much less the 20 or more it has planned to build by the end of the century. Mexico's bal-ance of payments deficit rose 73 percent last year, the peso was de-valued in February and oil revenue may fall this year to half the level projected two years ago.

The final price tag for the next plant is expected to be nearly \$3 billion, and the victor would ap-pear to have the inside track on the balance of Mexico's planned nuclear effort, estimated to cost around \$50 billion by the end of

the century. More important, per-haps, is the chance for the winner to continue churning out reactors. and thus keep pace with scientific and technological improvements, until reactor orders pick up in other countries, probably in the 1990s, nuclear analysts say.

In the extremely competitive market, officials of the various countries involved and independent analysts are unable to precisely handicap the race. They seem to agree that the United States' principal advantage is its long nuclear experience and extensive trade with Mexico, while its possible disadvantage is its occasionally prick-ly political dealings with its southem neighbor.

Canada's strong point is the ac-knowledged efficiency of a reactor it has developed. Its weakness is its relative inexperience in interna-tional nuclear sales and what one rival termed "the disaster" of its much-delayed reactor in Argentina. West Germany and Sweden are also said to suffer from inexperi-ence abroad, while benefiting from cordial relations with the Mexi-

France, which last year had acrimonious words with Mexico over the terms of oil contracts, gained experience from its huge nuclear program of recent years, as well as its perceived ability to undercut others' prices if it chooses because (Continued on Page 9, Col.1)

Oil Glut's Legacy: A Weaker OPEC

Rising Demand Is Expected to Bring Higher Output, Not Increased Prices

By Robert J. McCarmey Washington Post Service
QUITO, Ecuador — The worst crisis in OPEC's 21-year history apparently is over, but it appears

OPEC's production ceilings are beloing to bring under control a major oil glut that was depressing prices, but the cartel has been

main frozen until the end of this year and possibly beyond, despite forecasts of rising oil demand in coming months, OPEC ministers and U.S. industry and government oil specialists say. The current period of price stability, which began in January, 1981, will almost cer-tainly last longer than the 18-month OPEC price freeze of 1977-

two most outspoken supporters of higher prices in the past. Libya and Iran, will have to wait for a major political upheaval in the Middle East before prices can rise again as sharply as they did after the 1973 Arab-Israeli war and after the 1979 Iranian revolution.

Meanwhile, Libya and Iran are having to sell their oil at embarrassing discounts to keep buyers who would prefer to deal with oil producers less likely to raise the price at the first sign of a tighter market, according to OPEC and industry sources.

OPEC oil ministers - in Quito for a regular, semiannual conference that ended Friday - publicly expressed confidence that the car-tel's production ceiling of 17.5 million barrels a day had put OPEC back in control of world oil markets. Some ministers, however, said their private views were more

OPEC has to watch its action very

to have seriously weakened the

NEWS ANALYSIS

forced to cut its total production by about one-third since 1979 to prevent a price collapse. Produc-tion by OPEC's 13 members earlier this year fell below production by other non-Communist countries for the first time, signaling a major decline in OPEC's power in the oil

OPEC's prices are likely to re-

Industry analysts say OPEC's

guarded.

'Although the victory is in sight,

carefully or let the victory slip," Indonesia's oil minister, Subroto,

The ministers agreed to extend

OPEC's first formal production limits, which were adopted in March to cope with the glut.

The ceilings have been credited with halting a year-long slide in prices on spot oil markets. That prices on spot on markets. That price drop was undercutting OPEC's official prices, which are grouped around the benchmark of \$34 a barrel. Spot oil prices are for 4 a barrel. Spot oil prices are for individual cargoes sold on the open market and are regarded as a more accurate measure of supply and demand than official OPEC prices, which are used for long-

term contracts.

The ceilings forced production cuts and encouraged a bullish attitude among traders by giving the impression that OPEC was acting assertively to protect its interests.

The glut, which took hold firmly at the start of last year, resulted from a combination of slack demand caused by slow economic growth, conservation measures and increased supplies from oil producers that do not belong to OPEC, such as Mexico and Britain. As spot prices fell, oil compa-nies added to the supply by draining inventories to avoid being stuck with high-priced crude and to trim financing charges.

Rising Demand

Demand for OPEC oil is expected to start rising again in this year's second half as companies replenish inventories and the U.S. economy revives. New demand is not expected to push up prices right away, however, but cause OPEC to start raising its production again. With unused production capacity of as much as 10 mil-lion barrels a day, demand would have to recover considerably before prices could start spiraling, U.S. oil executives say. Saudi Arabia, OPEC's largest producer and traditionally its lead-

ing moderate, has 3.5 million bar-rels a day of spare capacity and says it will use it if necessary to prevent a sudden price rise.

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May 13, 1982

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Short-Term U.S. Rates **Expected to Stay Firm**

ing sources said.

By Alexander R. Hammer New York Times Service

NEW YORK -- The latest money supply report indicates that the U.S. economy will have to wait a little longer for a decline in shortinterest rates, some analysts

On Friday, the Federal Reserve

U.S. CREDIT MARKETS reported that the nation's basic

money supply rose \$2.3 billion in the week ended May 12. The rise was slightly above market expectations, pushing up interest rates a bit in late-afternoon trading. The new level of M-1, \$452.5 billion, is higher than would be consistent with the Fed's 1982 growth target of 21/2 percent to 51/2 percent.

The latest rise in the monetary apprepates is likely to keep shortterm interest rates at current levels for a while longer," said Fred J. Howard, a senior vice president at Sterling National Bank & Trust.

Modest Decline?

Leonard Siegel, a vice president of Josephthal & Co., said that the increase in the money supply fig-ure will delay the Fed from easing its credit reins over the near term."
However, J. Terrence Marray, chairman and chief executive officer of Fleet Financial Group, a major New England bank holding company, was more optimistic. He said that, while the latest money supply totals exceeded the rise of \$1 billion to \$2 billion predicted by most analysts, "short-term rates should decline modestly over the next four to six weeks."

M-I is the measure of money supply composed of currency in circulation and all checking account-like deposits in banks and savings institutions. When it advances above the Fed's goals, economists and traders generally expect the central bank to restrict credit, causing interest rates to rise. When the money supply is be-iow target, analysts anticipate that the Fed will make credit more available to the banking system, thereby sending interest rates low-

Mildly Negative

Indicating the mildly negative response by the market Friday to the money supply figures, the actively traded 14 percent Treasury bonds due in 2011 fell ½ point to 105 29%2 and ended the session down % point. Yields were slightly lower before the report came out.

The rate on six-month Treasury bills increased after the money supply figures were released to 11.75 percent from 11.58 percent earlier in the day.

However, the credit markets received some encouraging news Friday when the Fed announced that commercial and industrial loans dropped \$397 million in the week ended May 12, in contrast to a gain of \$3.08 billion the previous week. Analysis said that the sharp drop in loan demand, if it continued, could help push interest rates

Mexico Seeks Short-Term Credit short-term credit, one source said. bo Eurocredit had been well He said Mexico has offered a received by international bankers. spread of 1.33 percentage points over the London interbank offered rate, or 1.17 points over the U.S.

> Several bankers said the Mexican request for the short-term loan

will probably be granted.

Meanwhile, good progress has been made in assembling lead managers for the jumbo \$2.5 billion Eurocredit, bankers said.

They said that some 26 lead managers have agreed to un-derwrite \$100 million each, with a few more lead managers expected to sign on as well. Thus, the initial commitment of each lead manager will probably have to scaled down.
Mexico's director of foreign financing, Angel Gurria, said earlier
this month that the proposed jum-

Lead managers can meet up to half of their commitment under the loan by consolidation of shortterm debt, bankers said. This should aid in the marketing of the credit, since it will allow banks to limit new exposure to the country, they added.

As reported previously, the \$2.5billion credit will be split into two tranches; one will be for three years with a renewal option for a further four, and the other will be for seven years with a three-year grace period.

The first tranche will carry interest set one percentage point above Libor, or 3 points above the prime rate. Interest on the seven-year tranche will be at 11/2 above Libor, or 1% points above prime.

CURRENCY RATES Interbank exchange rates for May 21, 1982, excluding bank service charges.

P.M. F.F. It.L.
TILITS * 42.44 * 0.1979
Cloqued * 1.2079
4.1345 * 10.7783 * 2.297.50
\$55.20 * 272.35 * 0.2981 * Glór. B.F. S.F. 1894 * 130.70 * N.A. * 5.30 * 117.80 * 4.465 * 77.75 * 1.5214 497.40 * 29.40 * £2.52 0.3899 * 0.023 * 0.0099 234.72 * 13.85 * 304.34 * 74.34 * 45.95 * 24462 * 44.0739 * 2.0240 2,9027 * N.A. 2.2214 25.25 14.0242 163.16 0.1276 74.40 25.00

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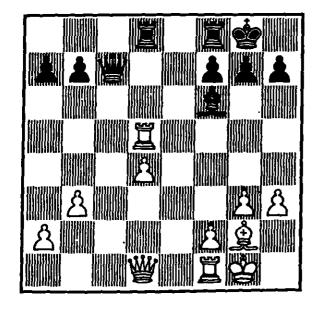
(a) Commercial franc. (b) Amounts needed to buy one pound. (*) Units of 60. (x) Units of 1,000.

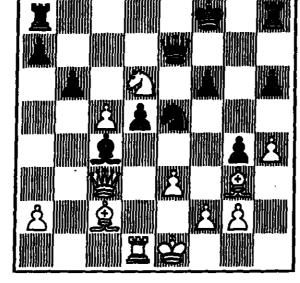


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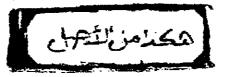
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Reactor Firms Vie Fiercely To Win Mexico's Business

ns a country, it does not have to

think like a commercial entity. "This is the biggest stakes of any contract ever let in a developing country," a U.S. government offi-cial said. His Canadian counterpart added: "Everybody's working

bloody hard."
The weak market has made .competition so keen that high government officials of rivaling nations have been parading in and out of Menico City like so many traveling salesmen. For the United States, Vice President Bush put in a personal word to President José opez Portillo, and three Cabinet officials - Secretary of State Alexander M. Haig, Secretary of Com-merce Malcolm Baldrige and Sec-retary of Energy James B. Edwards - sent a joint letter in March to the foreign minister to encourage a

Slinging Axes

The president of France, the prime minister of Canada and the king of Sweden have all brought large nuclear entourages on recent visits. The Canadians have even opened a nuclear exhibit and decorated their embassy with nuclear paraphemalia.

"Everybody's slinging an ax at everybody else," a U.S. diplomat

The battle began last year when Mexico requested bids from companies or countries that wanted to build a 1,800- to 2,200-megawatt nuclear plant — the equivalent of

Cadbury May Purchase National Distillers Unit

New York Times Service NEW YORK -- National Distillers & Chemical said Friday that it is discussing the possible sale of its Holland House Brands division to Caribury Schweppes U.S.A. Holland House produces and distributes cocktail mixes and special-

ty products.

The move is part of National Distillers' plan to concentrate on its strengths — chemicals, wine and liquors — said Richard Tilgh-man, a vice president.

New Issue in Canada

To be dated June 1, 1982

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To the holder of the notes payable in United States Dollars of the

issue designated 9%% guaranteed notes due 1982 Marriott Overseas Corporation N.V. final redemption due June 15, 1982 of U.S.\$4,500,000.

Public notice is hereby given that Marriott Overseas Corporation NV intends to and will redeem for final mandatory redemption purposes on June 15, 1982 pursuant to the provisions of section 6 of the notes. All of the 4,500 notes of the above mentioned issue, remaining in circulation, shall be redeemed at 100% of the principal amount and should be presented and surrendered for final mandatory redemption at the offices of Bank of America International S.A. Luxenbeure, Bank of America N.T. & S.A. London, Paris and Frankfurt-sm. Main.

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two to four reactor umits, depending on size — some 65 miles (104 kilometers) north of Vera Cruz, about 35 miles from the country's first commercial nuclear plant, Laguna Verde I, which is under construction by General Electric. The new plant would be called Laguna

The difficulty of Mexico's position, analysts suggest, will be com-plicated not only by the country's present financial stresses, but also by the need to try to foresee - decades into the future - such factors as the value of the peso, energy demand and oil revenue. Mexi-co also must weigh the advantages of buying nuclear gear now, when the industry is desperate to sell it, or later, when that situation might

have changed.
The Mexicans feel this is a good time to buy because the price is right," a U.S. official said. "Maybe in 20 years it won't be such a good time to buy."

Bets Being Placed on Caesars

NEW YORK - A secret accumulation of stock is under way in Caesars World, the big hotel casino company, Wall Street sources say. The most likely buyer is thought to be Resorts International.

another leading hotel casino company.

Analysts said that Resorts has an estimated \$165 million in cash for investment purposes but that it would have a difficult time taking over Caesars World - even if it wanted to - because of potential antitrust problems. Both have major gambling operations in Atlantic City, N.J., and Resorts is reported to be interested in opening a casino in Las Vegas, Nev., where Caesars World already has a strong position.

Joseph W. Bars, gambling industry analyst for Value Line Investment Survey, said that if Resorts is buying the stock, it probably is a short-term investment. Several companies with gambling operations are in favor in the stock market at pres-ent, including Holiday Inns and Golden Nugget as well as Resorts and, to a lesser extent, Caesars

World. Mr. Bars said that he believed Resorts might be "holding off" until it sees whether gambling is le-galized in Miami Beach or New Orleans. Both of these cities are considering the issue, along with

the states of Pennsylvania, Massachusetts and New York. At present, gambling in the United States is legal only in Nevada and Atlantic City.

Caesars World is understood to be aware of the unusual trading. Last Monday, volume soared to 457,000 shares, three times the normal level. Bear, Steams & Co. and Pershing & Co. were said to have handled some of the trades.

Even if most of these shares were purchased by Resorts, the amount would still be far less than 5 percent of Caesars' 26.6 million shares outstanding, at which point Securities and Exchange Com-mission rules require the buyer to disclose the purchase along with the reasons for buying.

Resorts has casinos in Freeport, Grand Bahamas, and Atlantic City, where it was the first to open after gambling was approved for the city four years ago. Caesars World was the second to open, three years ago.

Resorts has 60,000 square feet of gambling space, the largest of the nine gambling houses op-erating in Atlantic City, compared with Caesars' nearly 49,000 square feet.

Caesars stock closed Friday at \$9.25 on the New York Stock Exchange, ahead 12½ cents, on volume of 113,600 shares. Resorts closed at \$19.25 on the American Stock Exchange, up 50 cents.

ternational Group. Among these,

he said, are telecommunications,

data processing, advertising, insur-

But while U.S. companies now account for about 20 percent of to-

tal world trade in services, their

market share has been shrinking.

And service sector executives are

asking the government to pay

more attention to policies affecting

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May, 1982.

U.S. Service Sector Is Cushioning Recession

(Continued from Page 7)

goods-producing sectors of the economy: manufacturing, mining, construction and agriculture.

The service sector has accounted for more than half of all jobs in the United States since at least the 1920s. While the percentage of manufacturing employment, com-posed heavily of blue-collar jobs. has shrunk steadily during this century, the percentage of employment in the services, made up largely of white-collar jobs, has grown steadily. The service sector accounts for about 72 percent of total U.S. employment and 67 per-cent of the nation's economic out-

Perhaps the most important rea-

A similar appetite for services

While some of the recessionary

This difference in consumer purchasing patterns has been reflected in spending over the past year. Purchases of services rose by 12 percent between the first quarter of 1981 and the first quarter of 1982, while purchases of consumer durables fell slightly and purchases of nondurables were up by only 6

So while employment in some services may edge down a bit. there generally are not the mass stay in business, its staff must be

Mr. Leveson of the Hudson Inbut are paid in tips or commis-

businesses are entirely protected from downturns. As Edward Guay, chief economist at the Cigna Corp., put it, "A service busitomobiles, appliances and other ness can overexpand and misallocate capital, just as in manufactur-

One service sector that has not held up well during this recession is government. Between July and April, federal employment fell by 60,000 jobs, to 2.7 million; state and local government employment declined by 50,000 jobs, to 13.2

government had always grown during recessions; it was a continuous growth industry," said Jack Bregger, chief of the division of employment and unemployment analysis at the Bureau of Labor Statistics. He attributed the current declines to the Reagan administration's efforts to shrink government and to reductions in public school staff because of the passing of the baby boom. Despite the seeming vitality in

the overall service sector, industry executives caution that its growth There are, of course, services could be hampered by trade barri-

Consulting Services.

"The foreign markets have be-

Fed's Rigid Targets Cause Swings In Interest Rates, Pöhl Contends

LONDON - Karl Otto Põhl, president of the Bundesbank, has suggested that his counterpart at the U.S. Federal Reserve be a little more flexible in pursuing monetary policy.

By rigidly adhering to targets for money supply growth, the West German central banker said in a speech to the International Forex Conference here Saturday, the Fed has caused erratic swings in interest rates. Those swings, he said, shake the foreign exchange mar-

But Mr. Pöhl - who said in an interview in March that he was "in full agreement" with Paul A. Volcker, chairman of the Fed noted that the U.S. central bank is under pressure from some quarters to seek to control the money supply even more strictly. On Friday, for example, a top U.S. Treasury official said that recent spurts in the money supply threatened to bring a resurgence of inflation.

Mr. Pöhl said: "Certainly the monetarist critics or watchers of the policy of the Federal Reserve System do not make it easy for the

least sometimes that degree of discretionary policy that might lead to a steadier or smoother movement in interest rates in the United States. The fact that the Federal Reserve System seems to be tied to rules is in my view quite often the reason for the fluctuations."

The West German official rejected the view of some economists in the Reagan administration that the Fed could bring stability to the financial markets by holding money supply growth to a fixed rate. Mr. Pöhl said that he did not believe a monetary target can serve as "an archimedean point from which all difficulties can be reme-

'Exotic' Interest Rate Levels The bouncing up and down of U.S. rates makes it harder for central banks elsewhere to keep the foreign exchange market steady, Mr. Pöhl contended. "It is less the high level of interest rates for dol-lar assets than the sharp fluctuations in them that have made it considerably more difficult for the European countries and Japan to closely coordinate their intervention policies," he said.

Mr. Pöhl also criticized the level of deficit spending in the Western industrial economies. "Budget deficits in most countries are much too high and therefore make it impossible for fiscal policy to be used as an instrument to stimulate the economy," he told the foreign exchange bankers. "For the same reason interest rates are staying at rather exotic levels, particularly in the United States."

Surveying the world economic scene, Mr. Pöhl could offer little cheer: "If I were to try to draw a conclusion from hours and hours of intensive discussions with finance ministers, central bank governors and other people bear-ing high responsibility, the outlook for the world economy would be

rather gloomy."
He added: "Unemployment is increasing in all industrial countries and there is no sign that this will change very soon. On the contrary, even if economic activity picks up in the course of this year or at least next year, unemploy-ment will stay at levels which can only be compared with those the Western world saw during the

son for the growth in services is that productivity gains in manufacturing and agriculture have en-abled fewer people to produce more goods, thus freeing many to move into service jobs. And the United States' growing affluence has allowed consumers an increas-

ing amount of money left for ser- are reduced, the service sector can-

has developed in the business sector. Many companies, for example, are shifting to outside concerns for tistical quirk, a lawyer — or any other employee — working for a manufacturer is counted as being vice concern is considered a service sector worker.)

strength in services undoubtedly comes from its long-term growth, there are services that appear to fare well during downturns. When people postpone purchases of auback equally on purchases of ser-

"Goods are storable, so during a recession, people keep using the ones they have," noted Victor R. Fuchs, a professor of economics at Stanford University who is widely known for his research on the ser-vice economy. "People don't stop using refrigerators, they just don't go out and buy new ones." Services cannot be stored; if they are needed, people must continue to ourchase them in a downturn.

sities, such as restaurant meals and travel, and these may be reduced in periods of financial strain. But, unlike manufacturing companies which accumulate inventories and then lay off workers until stocks

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come very important for certain service businesses," said Ronald K. Shelp, vice president for internot do business if it lays off many national relations for American In-

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in a manufacturing job, while the same person working in the same job for a law firm or another serjob for a law firm or another serjob for a law firm or another seroften do not represent fixed costs

That is not to say that service

"Until the present downturn,

U.S. companies in the service sector earned about \$60 billion in foreign revenues in 1980, according to an estimate by Economic

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Alahli Bank of Kuwait (K.S.C.) Arab Banking Corporation The Bank of Bermuda, Ltd. Bank Leu International Ltd.

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Banque Générale du Luxembourg S.A. Banque de Neuflize, Schlumberger, Mallet Banque Populaire Suisse S.A. Luxembourg

Banque Worms Baring Brothers & Co., Bayerische Vereinsbank Blyth Eastman Paine Webber International Chase Manhattan Capital Markets Group

Copenhagen Handelsbank A/S Richard Daus & Co. Bankiers Deutsche Girozentrale -Deutsche Kommunalbank

Citicorp International Group

European Banking Company Handelsbank N.W. (Overseas) Kleinwort, Benson Knwait Investment Company (S.A.K.)

LTCB International Limited Nederlandse Credietbank N.V. Nomura International

Strauss, Turnbull & Co. Vereins- und Westbank

May 24, 1982

Algemene Bank Nederland N.V. Al-Mal Group Arnhold and S. Bleichroeder, Inc.

Julius Baer International Bank Gutzwiller, Kurz, Bungener (Overseas) Bank of Helsinki Banque Bruxelles Lambert S.A. Bank of Tokyo International Banque de l'Indochine et de Suez Banque Internationale à Luxembourg S.A. Banque de Paris et des Pays-Bas Banque de Paris et des Pays-Bas (Suisse) S.A.

Banque Privée de Gestion Financière Banque de l'Union Européenne Bayerische Hypotheken- und Wechsel-Bank Bayerische Landesbank Girozentrale Bergen Bank Berliner Handels- und Frankfurter Bank

B.S.I. Underwriters Cazenove & Co. **Chemical Bank International Group** Christiania Bank og Kreditkasse Compagnie de Banque et d'Investissements, CBI Continental Illinois

Daiwa Europe Limited County Bank Creditanstalt-Bankverein Den Danske Bank Den norske Creditbank **Dominion Securities Ames Limited** Dillon, Read Overseas Corporation Dresdner Bank Girozentrale und Bank der Österreichischen Sparkassen Hambros Bank

Istituto Bancario San Paolo di Torino Japan International Bank Kansallis-Osake-Pankki Kuwait International Investment Co. s.a.k. Kredietbank S.A. Luxembourgeoise Lazard Frères et Cie Lehman Brothers Kuhn Loeb International, Inc.

Merrill Lynch International & Co. Samuel Montagu & Co. Morgan Guaranty Ltd Nippon Credit International (Hong Kong) Nippon European Bank S.A. Norddeutsche Landesbank Nordie Bank Sal. Oppenheim jr. & Cie. Pierson, Heldring & Pierson N.V. Privatbanken A/S Rabobank Nederland

J. Henry Schroder Wagg & Co. Scandinavian Bank Singer & Friedlander Société Générale de Banque S.A. Société Générale Swiss Bank Corporation International Limited Union Bank of Finland Ltd. Wood Gundy Yamaichi International (Europe)

F. H. Deacon, Hodgson Orion Royal Bank Limited Salomon Brothers International Smith Barney, Harris Upham & Co.

Dominion Securities Ames Limited

Andras, Hatch & Hetherington

Principal

Amount

\$ 1,016,000

Principal

Amount

\$29,825,000

Wood Gundy Limited

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June 1

1983-1997

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1987

McLeod Young Weir Limited Burns Fry

Merrill Lynch, Royal Securities

To mature June 1, as indicated below

Richardson Securities Lévesque, Beaubien

Nesbitt Thomson Bongard

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Greenshields Incorporated **Burgess Graham Securities**

Walwyn Stodgell Cochran Murray

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Canadian Imperial Bank of Commerce **Toronto Dominion Bank**

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May, 1982

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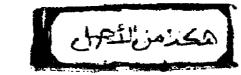
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Address given by Mr. Jean-Marc VERNES Chairman of the Board of the BANQUE VERNES ET COMMERCIALE DE PARIS at the Annual Meeting of May 4, 1982

HE law making effective the nationalization of the banking industry was enacted on February 13, 1982. As the BANQUE VERNES ET COMMERCIALE DE PARIS is not quoted on the Paris Bourse, its nationalization, according to the law, will only be effective as of July 1st. I am, therefore, addressing you today for the last time and thus will end my message with a word of farewell. I started with Messrs. VERNES & Cie, on November 2, 1945 after my release from military service, where I have since pursued my banking career. This family concern was founded in 1821 by Charles VERNES, my great-great-grandfather who continued on the way paved by the VERNES, who had been bankers in Lyons since 1780. In 1892, he was appointed Assistant-Governor of the Bank of France and was replaced by his brother Félix VERNES.

In 1945, the Bank still had its family style. For a century and a half, it had specialized in money management and had acted as a business bank. Over the years, it had acquired in the financial market place, the esteem and consideration which inspire confidence, the essence of banking. Its partners sat on Boards of Insurance companies, manufacturing companies, banks and railroads. They all had close ties with the bank. They fully played their roles as business bankers, participating in the founding of banks, the most significant of which, to name only a few, were the Ottoman Bank, the Bank of Syria and Lebanon and the Paris Union Bank. They belonged to what used to be called then, the "high bank."

At the end of 1945, the total assets of the Bank amounted to 11 million of today's francs. At present, they amount to more than 9 billion. Any further comment seems to me unnecessary: figures speak for themselves. That is the cause of our nationalization.

This achievement was due to creative changes in the Bank. It was done, in particular, by establishing new branches to accept deposits, and through mergers, the most important of which occurred in 1970, with the Commercial Bank of Paris, founded by Mr. Marcel DASSAULT, headed and developed by Mr. Albin CHALANDON, with the collaboration of Mr. Jean ROUGIER.

I want to express my gratitude to all of those who have participated in, and permitted this accomplishment.

To our shareholders: my family first, who had confidence in me and who always supported me, and were willing to adapt to the changing times while keeping the banking tradition.

To the JACK FRANCE's Group, which was merged in the Suez Group and was joined by the ABEILLE INSURANCE Group, afterwards named Victoire.

To the industrial groups which have joined us: COMPAGNIE GÉNÉRALE D'ÉLECTRICITÉ and its Chairman, Mr. Ambroise ROUX, dedicated supporter of the free market economy and BEGHIN SAY which I have the honour to serve as Chairman.

Especially to AIR LIQUIDE and its Chairman, Mr. Jean DELORME. The very name AIR LIQUIDE has been, since its foundation, associated with that of VERNES, and we are proud to have contributed to the foundation and development of this great group whose activity spreads throughout the world and contributes to the prestige of France.

Also to our German associates, HAMBÜRGISCHE LANDESBANK GIROZENTRALE for their support and fidelity. Let them be assured that I deeply regret that they have not been rewarded for their confidence in the French economy.

Lastly, I am very much endebted to Mr. Marcel DASSAULT. His support and friendly confidence will remain for me a great joy and honour. I would be ungrateful if I were to forget Général de BENOUVILLE who initiated these close relationships.

Tanks also to all those from whom I have learned my job, to those who have been my colleagues, to Mr. Jean ROUGIER, to the staff and to all personnel. Many of them have been with this Company for several generations. I wish them to pursue their way with all freedom and independence.

For my part, at this moment of departure, without bitterness but with sadness, I want to assure you that I shall remember only the good times and forget the difficult ones. As during these past 37 years, I have not known one single hour of discouragement, do not expect me today to yield to such

The day I leave you will be my longest day, but I know that the day after, the sun will rise and shine again.

My last act as Chairman of the BANQUE VERNES ET COMMERCIALE DE PARIS will be a visit to the Governor of the Banque de France, thus paying my respects to this great institution and to those of my predecessors who also occupied a seat on its Board and on its Administrative Council.

I only want to consider this nationalization as incidental since. as I said, France can only have prosperity within a free market system and I hope, or rather I am convinced, that a day will come soon when a Banque VERNES will be re-instated in the private sector and will serve again its clients in France and abroad.

To end this address, let me associate in my thoughts my colleagues, industrialists or bankers, who find themselves in the same situation, as I know how they feel and I shall only tell them as Kipling once wrote:

> "if you can . . . watch the things you gave your life to, broken, and stoop and build'em up with worn-out tools: --you'll be a man, my son!"

I will try to make these words mine.

FAREWELL.

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NEW YORK (AP)—
The following quoteflows, supplied by the
Notional Association of
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Kleinwort Benson

A summary of the Statement by Mr. Robert Henderson, Chairman of the parent company, KLEINWORT, BENSON, LONSDALE plc, in the Report and Accounts for 1981

Continued Progress

PROFIT

Profit after tax and transfers to inner reserves totalled £21.7mm (1980 – £22.9mm). Although Sharps Pixley's contribution was well below the 1980 record figures, profits from that source still exceeded those attained in any previous year. Total dividend is 10p

While demand for credit was surprisingly high, competition remained fierce and the earnings from acceptances were reduced. However, our ability to offer sterling facilities to international customers has led to a welcome inflow of business, and our sterling and foreign exchange operations have increased both in scope and profitability.

EXPORT CREDIT

One benefit of being a bank of our size is the ability to underwrite and syndicate finance for large contracts, both in sterling and dollars, and our Export Credit finance services have been widely marketed.

CORPORATE FINANCE

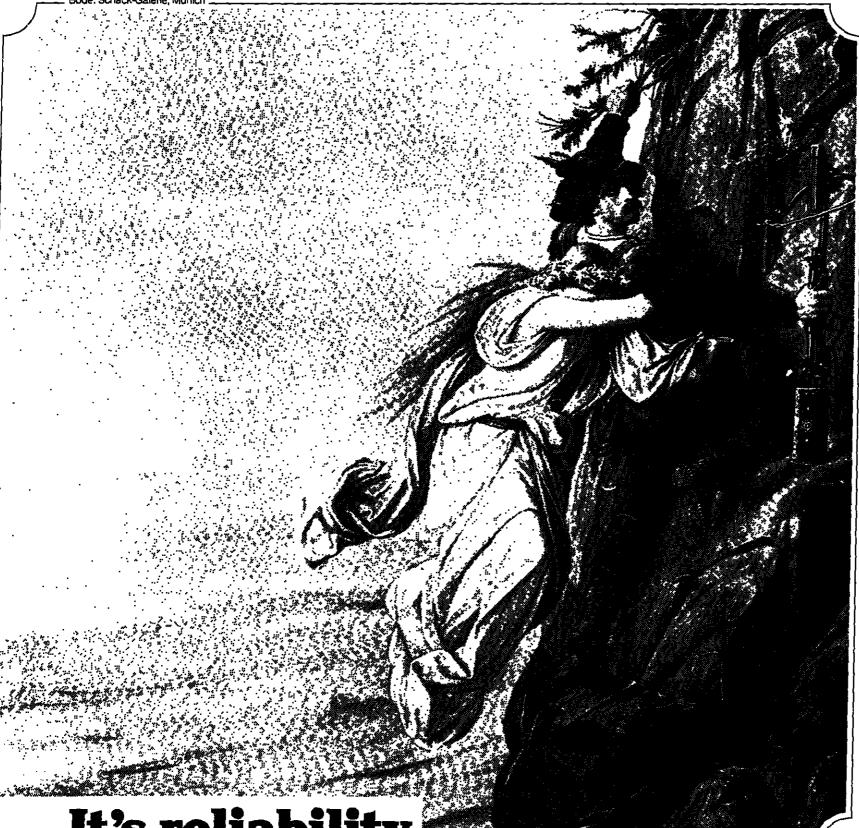
We had an outstanding year. The issues for British Aerospace and Cable and Wireless were successively the largest company flotations ever made in the U.K. On the international side, we had by far our most active year.

Our international investment management business has continued to prosper, and has countered competition both by good performance and by keeping the increase in costs lower than the increase in income derived from greater volume, with the world-wide support of investment teams in our overseas offices. Trustee and financial planning services have also shown international growth.

Our European subsidiaries in Bremen, Brussels and Geneva achieved satisfactory results, and Kleinwort Benson Australia - jointly owned with The Colonial Mutual Life Assurance Society - made an encouraging start with a profit for the initial eight months. Our Hong Kong branch and its satellite finance company more than doubled their 1980 profits, offering a full range of international merchant banking services. Our banking and corporate finance business in North America, through offices in New York and Chicago and, now, Los Angeles - has expanded.

20 Fenchurch Street, London EC3F 3DB

BAHRAIN - BANGKOK - BOGOTA - BREMEN - BRUSSELS - BUENOS AIRES - CHICAGO - GENEVA - GOTHENBURG - GUERNSEY HAMBURG - HONG KONG - ISLE OF MAN - JAKARTA - JERSEY - KUALA LUMPUR - LOS ANGELES - MADRID - MELBOURNE MEXICO CITY · NEW YORK · PARIS · RIO DE JANEIRO · SANTIAGO DE CHILE · SINGAPORE · SYDNEY · TORYO · VIENNA BIRMINGHAM - EDINBURGH - MANCHESTER - NEWBURY



It's reliability that counts in international banking. Bayerische Landesbank, one of Germa-

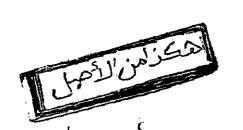
reputation as a reliable and flexible banking partner.

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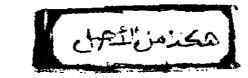
Our financial strength – enhanced by the authority to issue own bonds -, our guick decision-making, international presence and comprehensive wholesale banking services make us well placed to meet your

- Trade financing tailored to customer requirements • Long-term fixed-interest DM loans . Euroloans via our Luxembourg subsidiary or our London branch . Management of international bond issues and pri-
- vate placements • Equity financing operations via stock exchange introductions.
- For reliability in international banking, get in touch with Bayerische Landesbank.





Central Office: Brienner Strasse 20, 8000 Munchen 2, Tel.: (89) 2171-01. Telex: 5286270, Cables: Bayembenk Munich, Branches: London, Tel.: 726-6022; New York, Tel.; 310-9800; Singapore, Tel.: 2226925, Subsidiary: Bayerische Landesbank International S.A., Luxembourg, Tel.: 47 5911-1. Representative Offices: Joronto, Tel.: 862-8840; Vienna, Tel.: 663141; Johannesburg, Tel.: 8381613.



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Consolidated Trading Of NYSE Listings

Consolidated Trading

Of AMEX Listings

Volume: 23,890,000 shores Year to Date: 425,790,000 short Issues traded in: 925 (dvances: 209; declines: 571; law Higha: 30; new lows: 54

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EGYPTIAN GENERAL PETROLEUM CORP. (E.G.P.C.)

INVITATION TO INTERNATIONAL TENDERS

EGPC has obtained a loan from the World Bank for Abu Qir Gas Field Development, Phase II project.

Western Desert Operating Petroleum Company "WEPCO", on behalf of EGPC invites tenderers to submit their quotations for letting two Tug/Anchor handling and supply for drilling activities back up.

Tender Documents can be withdrawn from WEPCO Office, Alexandria as from Sunday, May 23rd, 1982 against payment of E.£ 20.- or U.S. \$30.

Closing date for submitting offers is noon Sunday 4th, July 1982.

Those interested should contact:

The Operations Manager - WEPCO - Safia Zaghioul Str., Borg E Saghr Building - P.O. Box 412 - Alexandria, Egypt - Telex 54075 UN.



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EGYPTIAN GENERAL PETROLEUM CORP. (E.G.P.C.)

NVITATION TO INTERNATIONAL TENDERS

Reference is hereby made to the ad published on May 10th, 11th and 12th re quotation required for VAM Thread - 2800 Joints of 31/2" Tubing. Tenderers are requested to submit their quotations in a sealed offer

Closing date and bids opening remain unchanged Monday, June 21st

IMPROVED OFFER

IMPORTANT NOTICE TO TIBER ENERGY SHAREHOLDERS AND WARRANTHOLDERS

TWIN RICHFIELD OILS LTD.

TIBER ENERGY CORPORATION

an amalgamation of Tiber Resources Ltd. and Appian Energy Corporation

Offer to Purchase all outstanding common shares and all outstanding Tiber Energy 1984 warrants of **Tiber Energy Corporation**

The basis of the Offer is \$1.26 \$1.50 and one \$1.26 \$1.50 Cumulative Redeemable Convertible Preferred Share Series B (with a paid up capital of \$10) of Twin Richfield Oils Ltd. for each 2.5 common shares of Tiber Energy Corporation, and \$1.00 \$1.25 for each Tiber Energy 1984 Warrant. Dividends on the \$1.20 \$1.50 Cumulative Redeemable Convertible Preferred Shares Series B will accrue from a date one year after the date of issue and will be cumulative until June 30, 1995 and non-cumulative thereafter.

THIS OFFER IS OPEN FOR ACCEPTANCE UNTIL 4:30 P.M. LOCAL TIME ON JUNE 9 1982, UNLESS EXTENDED, AND MAY BE WITHDRAWN IF THE CONDITIONS SET FORTH IN THE OFFER ARE NOT SATISFIED.

\$1.50 cash and one \$1.50 cumulative redeemable convertible preferred share series B for each 2.5 common shares of Tiber Energy Corporation.

\$1.25 cash for each Tiber Energy 1984 Warrant.

Example of Improved Offer to Tiber Shareholder owning 1,000 shares and accepting Twin Richfield offer:

Previous ofter: \$480 cash and 400 \$1.20 (12%) Cumulative Redeemable Convertible Preferred Shares Series B.

Improved Offer: \$600 CASH and 400 \$1.50 (15%) Cumulative Redeemable Convertible Preferred Shares Series B.

Copies of the Offer to Purchase and Take-over Bid Circular may be obtained from Guaranty Trust Company of Canada, your own investment dealer or broker, or from the undersigned:

> TWIN RICHFIELD OILS LTD. 500, 707 - 7th Avenue S.W. Calgary, Alberta, Canada T2P 0Z2

Telephone: 403-266-7042

Telex: 03-821254

Rice Gets 4 Hits as Red Sox Defeat A's

BOSTON — Jim Rice collected four hits, including a home run, and Dwight Evans hit his first home run of the season Friday night, giving the Boston Red Sox an 8-7 victory over the Oakland A's. Carl Yastrzemski also homered.

Rice tied the game, I-1, with a homer in the first. He also singled in the third and came home on a

two-run blast by Yastrzemski. Yastrzemski raised his average to .343 with singles in the fifth and seventh innings. The second single moved Rice to third, from where he scored his third run of the game. It came on a sacrifice fly by Carney Lansford for what proved to be the winning run.

The Oakland starter, Rick Langford (3-6), gave up all three Boston homers. Tom Burgmeier (2-0) re-lieved Mike Torrez in the fourth to pick up the victory. Mark Clear earned his eighth save with 2% inn-

ings of relief. The Red Sox pounded Langford and reliever Dave Beard for 18 hits, with Rich Gedman collecting

The A's had 12 hits, including a homer by Cliff Johnson and two doubles apiece by Mike Heath and Davey Lopes. Tony Phillips knocked in three runs with a pair of singles, the second of which came in the fourth inning to give Oakland a 5-4 lead and chase Tor-

Billy Martin, the A's manager, was infuriated by an obstruction call by third base umpire Rich Garcia and a ruling by second base umpire Dale Ford in the seventh inning that credited Rice with a putout even though the left-fielder dropped the fly ball.
"We're not going to score a lot

Major League **Standings** NATIONAL LEAGUE

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Transactions

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SEATTLE MARINERS—Purchased the SEATTLE MARJINERS—Purchased the confroct of Rick Sweet, catcher, from the New Yark Mets; called up Gary Gray, Rinst basemon, from Salt Lake City of the Pacific Coast League. TORONTO BLUE JAYS—Announced the signing of Kash Beauchama, outfielder. Bettienal League HOUSTON ASTROS—Placed Joe Sambito, Pitcher, on the 21-day dispoted list; recalled George Capuzzella, Pitcher, from Tuscon of the Pacific Coast League.

Rottiped Featball League

Noticeal Feetball League
CHICAGO BEARS—Signed Duke Fergerson CHICAGO BEARS—Signed Duke Forterson and Tira Clorit, wide receivers; Pat Dean, defensive lineman; Jim Bob Harris, safery; and Bob Meyer and Catvin Thomas, running backs.
CLEVELAND BROWNS—Traded Don Goode, outside linebacker, to the Oakland Reliders for future draft considerations.
KANSAS CITY CHIEFS—Signed Del Thomspace; Derwood Roquemore, safety; Gree Spaith, nese tockle; Joe Yacavitch, linebacker; and Alike Phillips. Noti end.
ST.LOUIS CARDINAL—Signed Dave Sitef, reference back! Terry Signed.

STLOUIS CARDINAL—Signed Dave Sheri, defensive back; Terry Sileve, guard; Rush Brown, defensive tackle; Jae Young, quarterback; Prince McCard and Larry Reld, running backs; Kalih Chancey, wide receiver; Scott Anton, thebacker; and Mike Marshall, defensive back.

CORT Antan, IMEDIOCIET; and with Marsholt, identify book.

Canadian Football League

TORONTO ARGONAUTS—Tryded the septiating rights to John Fourcade, parterback, to the British Columbia Lions for what considerations.

ESCORTS & GUIDES

of runs with this umpiring crew around," Martin said. "If they don't know the rules, they shouldn't be out there. And apparently they don't because I didn't know it was all right to drop a fly

Mike Heath hit a fly ball to Rice, who dropped the ball. But Ford ruled it a catch, and Heath was credited with a sacrifice fly. "He already had caught the ball when it dropped," Ford said. "I

FRIDAY BASEBALL

was right on top of the play, closer than anyone else, especially in the

Garcia defended his call, indicating that Wayne Gross in-terfered with Dwight Evans, who was sliding into third base.
"You can't stick your leg out like Gross did, especially when you're so far from the bag," said Garcia, who ejected Oakland coach Charlie Metro.

Orioles 3, Blue Jays 0

At Toronto, John Lowenstein drove in two runs with a home run and a single to lead Baltimore past Toronto, 3-0. Mike Flanagan (2-4) allowed five hits, struck out two and walked none through seven

Angels 9, Tigers 7

At Detroit, Bobby Grich and Bob Boone hit two-run homers to enable California to snap the Tigers' eight-game winning streak, Detroit's Larry Herndon, who went 5-for-5 Thursday night, con-tinued his torrid hitting, collecting three singles in four at-bats and scoring three runs. Herndon is 11 for his last 17 at-bats, a .647 percentage over that span.

Yankees 12, Twins I

At New York, Oscar Gamble hit his first home run off a left-handed pitcher in three seasons - a tworun blast in the second inning — and Bobby Murcer pinch-bit a three-run homer to cap a six-run sixth to power New York past Minnesota, 12-1.

Royals 3, Rangers 0

At Kansas City, Dennis Leonard and Dan Quisenberry com-bined on a four-hitter, and Amos Ous knocked in two runs to lift Kansas City over Texas, 3-0. Leon-ard allowed only two hits before being forced to leave the game in the seventh inning after being struck on his pitching hand by a line drive that broke two of his fin-

Brewers 4. Mariners 1

At Milwaukee, Robin Yount drove in two runs with a pair of singles, and Ted Simmons lined a two-run double to pace Milwaukee past Seattle, 4-1, and prevent Gay-lord Perry from recording his 301st

White Sox 3, Indians 2

At Chicago, Bill Almon's two-out RBI double broke a 2-2 tie in the seventh inning to lift Chicago to a 3-2 triumph over Cleveland

Expos 2, Reds 0

At Cincinnati, Charlie Lea allowed one hit over eight innings to lead Montreal to a 2-0 victory over Cincinnati. Lea, a 6-foot-4 righthander who pitched a no-hitter last year against San Francisco, ont-pitched Mario Soto (3-4) who fanned 11 and walked just one in seven innings. Lea permitted only a one-out single by Dan Driessen in the sixth until he allowed a leadoff single to Driessen in the ninth and was replaced by Woodie Fryman, who earned his second

Padres 7, Pirates 5

At San Diego, Ruppert Jones drove in two runs and John Mon-

More Sports On Page 15

tefusco won his first game in exact-ly a month as San Diego beat Pittsburgh, 7-5. Montefusco (2-4) last won on April 21, against San Francisco. Gary Lucas got the last out to record his sixth save.

Braves 7, Phillies 6

At Atlanta, third baseman Mike Schmidt booted a ground ball with two out and the bases loaded in the seventh, allowing a rum to score and capping a comeback that gave Atlanta a 7-6 triumph over Philadelphia. Steve Bedrosian (3-0) pitched the final three innings to gain the victory. Sparky Lyle (1-1) took the loss.

Astros 5, Mets 1

At Houston, Don Sutton became the first seven-game winner in the National League, pitching a six-hitter over eight innings to give

and walked three Cardinals 6, Dodgers 3

York, Sutton (7-1) struck out seven

At Los Angeles, rookie catcher Glenn Brummer, called up because of injuries to Darrell Porter and Gene Tenace, singled in two runs to highlight a three-run sixth as St. Louis beat Los Angeles, 6-3. Steve Mura (4-3) was the winner with Bruce Sutter earning his 12th save. Jerry Reuss fell to 4-4.

Cubs 6, Giants 4

At San Francisco, Gary Woods' pinch-hit double with the bases loaded highlighted a five-run, seventh-inning rally that gave Chicago a 6-4 victory over San Francisco. The triumph was the ninth in the last 13 games for Chicago, and lifted the Cubs from the East cellar.

Major League Baseball Line Scores

R.Davis (7) and (4) and Foote. W-911 000 100-3 12 B Escarrega (4), Koesmen (7) and Hill, W—Trout, 41, L—Denny, 3-5, HR— Chicoso, Boines (2).

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Israel, Cambodia

Won't Be Invited To Asian Games

The Associated Press NEW DELHI — Indian officials have confirmed that Israel and Cambodia will be excluded from the forthcoming ninth Asian Games in New Delhi.

oth the countries are members of the 34-nation Asian Games Federation and, therefore, eligible for participation in the Games. But the Indian officials said the two will not be invited because most Asian countries objected to Israel's participation, and mem-bers of the Association of South-East Asian Nations demanded that Cambodia be excluded.

A spokesman for the Asian Games Organizing Committee said that India did not expect the International Olympic Committee and the International Amateur Athletic Federation to drop recognition of the New Delhi Games. A senior Israeli sports official dismissed his country's exclusion from the Games as a political act lacking any significance.

Israel was barred from the 1978 Asian games at Bangkok on securi-ty grounds. Although the IOC and IAAF refused to grant sanction to the Bangkok Asiad, the action did

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Chicago (7), Barr (9) and (1)

Son Diego: 198 - 1 Christensen, Brusstor (é), Lvie (7). Reed (7) and B.Diaz; Abnier, Harine (3). Camp (5). Bedrosion (6).W—Bedrosion.3-0.L—Lyle.1-1. New York 001 000 005—1 7 0 001 000 000-1 7 0 011 111 00:-5 10 1

ALScaft, Lynch (6), Orosco (7) and Stearns; Sutton, LoCarte (9) and Ashby, W—Sutton, 7-).

Browns and Raiders Make Another Trade

United Press Internati CLEVELAND - The Cleveland Browns have traded starting outside linebacker Don Goode to the Oakland Raiders for "future con-

Goode was the third veteran the Browns had sent to Oakland in the past three weeks. Running back Greg Pruitt and defensive end Lyle Alzado were traded April 28.

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Mill in Alabama NEW YORK — U.S. Steel plans to close its Fairfield plant in Bir-mingham, Ala., the South's largest integrated steel mill.

11.11 11.32 11.33 11.34 11.35

The company said Friday it will close the plant in mid-June and lay off 3,500 workers because it could not reach an agreement with the United Steelworkers union to reduce the work force at the mill. No employees are to be recalled until early 1984, when a new seamless pipe mill is to begin operations there, the company said.

U.S. Steel to Close

The nation's largest steelmaker said that it had proposed reducing the payroll by 750 workers to reduce its losses until the new pipe mill opens. Thermon Phillips, the director of the local union, called the deci-

unacceptable.

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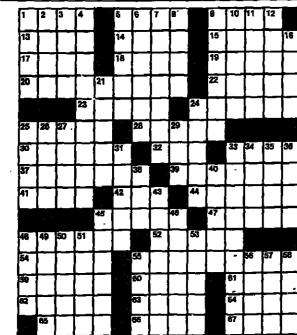
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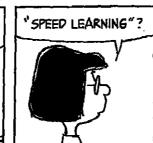
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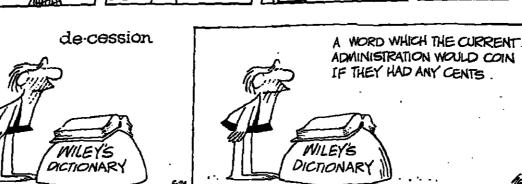
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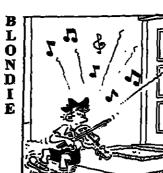






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BOOKS

AN UNSUITABLE ATTACHMENT

By Barbara Pym. 256 pp. \$12.50. Dutton Publishing Co., 2 Park Ave., New York, N.Y. 10016.

Reviewed By Mary Cantwell

BARBARA Pym was a fairly suc-cessful and rather prolific British novelist until "An Unsuitable Attachment" was rejected by her publisher in 1961. After that she was silent until the 1977 publication of "Quartet in Autumn." She died in 1980, having been acclaimed by several British crit ics as "the most underrated writer of the century," and as of this moment - at least in New York - is the novelist most touted by one's most literate friends.

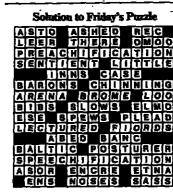
In some respects the scenario resembles that of the decline, fall and splendid resurrection of Jean Rhys, but with an important difference. To open a novel by Jean Rhys is to stub your toe against an oak tree, so strong and dark was her talent. Discovering Barbara Pym is akin to seeing an un-suspected butterfly dart out of a clos-et. "An Unsuitable Attachment" is vivid, sly and hard to net, and why her publishers turned it down can be clear only to them and God.

Mark Ainger, a clergyman, and his wife, Sophia, live in a part of London that is midway between gentrification and West Indiamism. Gentrification will probably triumph: doorways are being painted clever colors, bay trees are appearing in tubs, Sophia would like to marry off her sister Penelope, preferably to Rupert Stonebird, a new neighbor and anthropologist. Ianthe Broome, however, also a new neighbor, may have an edge, but she hists for — without acknowledging the word or the emotion — John Challow, a follow, the contraction of the contraction of

Sophia has a cat. Faustina, which she loves. Faustina's veterinarian, Dr. Pettigrew, is part of Mark's parish, and so is his sister Emily, who is very tussy about cat cuisine. Sister Dew, a nurse who makes a good sponge cake.

is also a prominent part of the parish.

But for a few bit players, among them Ianthe's wimp of a boss, Mervyn, they are the whole cast. Most of them go on a parish-sponsored trip to Rome and discover osso buco. Two of Solution to Friday's Puzzle



them get married, two others will Thar's all—and all Pyon needs Til-Rupert Stonebird, she is an antim-pologist, charting followays. And like a lot of British novelists who work on a small piece of ivory, she is a descendant of lane Austen.

Cool Observer

One is most aware of Pym's progenitor in her repeated use of the word "party." Jane Austen was forever de-scribing a "party," not a fete but a group of people embarked on an expedition or an evening's entertain ment. Pym's modest expeditionary group in Rome is a "party," a handful of Church of England innocents abroad A British reader may look on them with shocks, and laughs, of recognition; to an American, they are as remote in time and place as Margaret Mead's Samoans. And what is most pleasing about Pym is that, like Mead and Austen she regards the natives with a cool, dispassionate eye.

What is there to say about so small and simple a novel? A novel that is striking in its modesty? Is this a \$12.50 experience? Is any book these days, short of those that are the literary equivalents of a Cuisinart and Santos watch (no home complete without its Kissinger), a \$12.50 expe-

All one reader can say is that for a little while she lived in an unfashionable part of London, brooded about John Challow's bone fides and drank a lot of Earl Grey tea. Pym had yanked her into a world where she was alternately chilled and warmed, and continuously smiling. "But there is the rest of their lives,"

Sophia said, talking about Ianthe and John, "and marriage is for a long time. What will they talk about in the evenings when the novelty has wom off?" What indeed?

No problem. "There is a pertain kind of man who is always putting up shelves," Sophia reflects about John a few days later, "thinking how full of shelves some houses must be." Putting up shelves, feeding cats, arranging marriages; in Pym country, one act equates with the other because all

What Pym is writing about, in her amused, astringent manner, is the human need to be linked — whether to another human being, a cat or, as with Mervyn, the stability promised by a house with "nice things" in it. She does so without ever raising her voice, pounding home a point or slumping into sogginess, and she is, as her fans have been saying, quite some

Mary Cantwell is on the staff of the

BRIDGE

By Alan Truscott

MOST players would bid the North-South hand to three noretreated from three no-trump to four spades fearing a heart weakness in notrump and go down. Even if the defenders fail to lead clubs quickly, the South hand can be cut off. South and his partner, North, did better by reaching four spades. North's bid of two hearts was "fourth-suit forcing," a waiting maneuver that originated in England and is now popular in the United States. Eventually. North

The opening trump lead was ducked by East, and when South won he led a heart of the jack. This won, as did the spade jack on the next trick. Next, a heart lead lost to the ace and a heart was returned. South won, drove out the spade ace and ruffed the next heart lead. The position was now this: NORTH

NORTH **435** $\nabla J4$ OAK54 4A9875 4A9 EAST WEST **♦**A942 ♥98653 VA 107 ♦QJ82 **♣**QJ103 ♣K62 SOUTH SOUTH (D) **◆** KQ 1076 **♦ 10976 ♦ 10976**

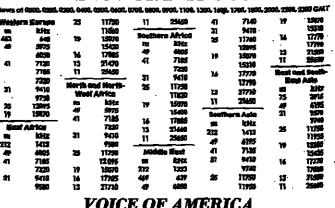
Pass Pass Pass Pass

The lead of the last trump not only extracted East's nine but embarrassed West. If he had thrown a diamond South would have given up a trick in that suit to score his game. So West parted with a club and daminy did likewise. Now South read the position correctly: He took the two minor-suit aces and led a low diamond to endplay West and score his game.

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SPORTS

INTERNATIONAL HERALD TRIBUNE, MONDAY, MAY 24, 1982

Taken by Patrese In Bizarre Finish

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Austen the Read the Party and of Didler Pironi, who ng ahom Pym is the sequence of events followed.

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and there is the reads of the say of any at there is the reads when Andrea de Cesaris of Italy, and marine is before the only other competitor in a po-

What will the the stopped on another part of the ness when the man track in his Alfa Romeo.

What indeed:

"I cannot believe what has just what indeed?" problem The i happened, the 28-year-old Italian man who is a said. No one doubted him.

es some house such cond place and the winner.

Merven, the same are learning to the land of the de Angeles, and Merven, the same are learning to the land sixth in a Williams.

does so without mr. Had Patrese failed to restart and

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more time around the track, they would have been first and second, instead of fourth and fifth.

Prost, eventually classified sev enth, had followed René Arnoux, his Renault teammate, into a commanding lead over the rest of the field in the early laps.

But on the 14th lap Arnoux, un-der no pressure, spun at a corner and could not restart his car. The battle was then between Prost and Patrese, with the Frenchman pulling away when the track ahead was clear, and the Italian narrowing the gap each time the leaders approached and eventually lapped backmarkers.

On his victory lap after the fin-ish, Patrese stopped on the course, had Pironi climb up onto his car, and the two completed the circuit to great cheers from thousands of appreciative, but by now totally bewildered fans.

As a pleasant postscript to a Grand Prix which for once was all about racing, and not about politics, there were no objections raised to Patrese's push-start after he stalled, no technical rows and no disqualifications.

. Hilpet Mansett, Britain, Latus, one top. 4. rujos Manseus, Striant, Lonte, ose los. 5. Elio de Angelis, Toly, Lotes, ose los. 4. Derek Dolv, freiand. Williams, two loss. 7. Alaja Press, France, Resoutt, Stree loss. 8. Srian Henton, Britain, Tyrnell, tour loss. 9. Marc Serer, Suttantand, Arrows, six los 10. Michele Albareta, Italy, Tyrnell, seven lo

FORMULA ONE STANDINGS

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4. Keike Rosbers, Finland, 14 5. Potrese, 13 A. Niki Loude, Austrio, 12 7, Albertie, 10 8. De Angelis, 7 8. Monsell, 7



René Arnoux was ahead in the early moments of the Monte Carlo Grand Prix.

Pitcher Bunts Run Home in 12th To Give Mets Victory Over Astros

From Agency Dispatches
HOUSTON — New York catcher John Stearns raced home with the winning run on a bunt by relief pitcher Neil Allen in the 12th to give the Mets a 6-5 victory over the

Houston Astros Saturday.
"He had me but I just wasn't going to just run by him and let him tag me out," said Steams of winning run when he crashed into Astro catcher Alan Ashby and jarred the ball from Ashby's grasp. didn't hit him square but I hit the ball before he had a chance to

Steams, who had four hits, had walked with one out in the 12th, stolen second and went to third on Hubie Brooks' fly ball. Allen bunted down the third-base line, and losing pitcher Randy Moffitt (0-3) fielded the ball and threw to home, where Ashby dropped the ball in

grip it."

The play crased a ninth-inning grand slam home run by Hous-

Gomez' first victory in a major

tournament puts him into a strong

position for his opening round confrontation in the French Open

against Corrado Barazzutti of Ita-

'I feel bappy after the win here

Earlier in the week, the Ecua-

ment. Once I beat him, then I

thought I could be the one to win."

The left-handed Ecuadorean

now holds a 2-0 career edge over

Teltscher, whom he beat last month in the quarterfinals at

Teltscher reached the final by beating Pablo Araya of Peru, 6-4, 3-6, 6-3, on Saturday. He was the

first American to earn a place in

the final at Rome's Foro Italico since 1979, when Vitas Gerulaitis

lost to Vilas. In the other semifi-

nal, Gomez beat Mats Wilander, 5-

Mayer Wins in Munich

won the Bavarian Open tennis championship Sunday with a 3-6,

6-3, 6-2, 6-1 victory over Peter

Elter, who upset top-seeded Peter McNamara of Australia on his

MUNICH (AP) - Gene Mayer

Gomez said.

ton's Terry Puhl off Allen (1-2) to tie the score and force the extra innings. It was Puhl's fourth homer of the season and his first ca-

Houston starter Nolan Ryan struck out 10, the 136th time he

BASEBALL ROUNDUP

has struck out that many or more. The 10th strikeout was his 3,300th in the majors; only Walter John-son and Gaylord Perry have more. Cubs 2. Giants 1

In San Francisco, Steve Henderson singled in two runs in the fifth inning to lead Chicago to a 2-1 victory over San Francisco. Allen Ripley, Lee Smith and Willie Hernandez combined on a four-hitter to give Chicago its third straight victory and 10th in its last 15

Phillies 5, Braves 2

In Atlanta, Mike Krukow (4-2) and Ed Farmer combined on an eight-hitter and Pete Rose hit a two-run double as Philadelphia defeated Atlanta, 5-2, to snap a fourgame losing streak.

Expos 4, Reds 2

In Cincinnati, Warren Cromartie drove in two runs with a homer and single and Scott Sanderson won his first game since April 30 as Montreal beat Cincinnati, 4-2.

Dodgers 3, Cardinals 2

In Los Angeles, Pedro Guerrero bounced a two-run single through the middle as Los Angeles scored

of France. The upset gave him a beat St. Louis, 3-2. Padres 12, Pirates 3 In San Diego, Sixto Lezcano and Terry Kennedy each hit a home run and drove in a total of

> Pittsburgh, 12-3. Orioles 6, Blue Jays 0

In the American League in Toronto, a two-run homer by John Lowenstein and a solo shot by Rick Dempsey backed a six-hit shutout by Dennis Martinez (4-3), giving Baltimore its fourth consecutive victory, a 6-0 win over To-

Red Sox 7, A's 4

In Boston, Bob Stanley pitched 81/2 innings of three-hit relief and Dave Stapleton had an eighth-inning RBI single to break a 4-4 tie as Boston went on to beat Oakland, 7-4. The victory was Boston's fourth in a row. The A's lost their fifth consecutive game.

Tigers 5, Angels 1

In Detroit, Jack Morris allowed only one hit through the first seven innings and Lance Parrish tripled in two runs to lead Detroit to a 5-1 victory over California.

Mariners 7, Brewers 1

In Milwaukee, Jim Maler hit his first grand slam to cap a seven-run third, and Gene Nelson pitched a four-hitter to lead Seattle to a 7-1 rout of Milwaukee. Nelson (2-6) survived first-inning wildness in pitching his first complete game of

Yankees 1. Twins 0

In New York, Dave Collins drove in New York's only run with a sacrifice fly in the fifth inning, and Dave Righetti (3-3) and Rich Gossage combined on a five-hitter to blank Minnesota, 1-0.

Kangers 3, Royals 1

In Kansas City, Mo., Charlie Hough pitched a six-hitter and pinch hitter Randy Bass' sacrifice fly off Dan Quisenberry (1-2) snapped a 1-1 tie in the 12th inning and lifted Texas to a 3-1 win over Kansas City.

White Sox 7, Indians 3 In Chicago, Harold Baines hit a

two-run homer and had a RBI sin-gle to pace Chicago to its sixth win seven runs to help San Diego rout in a row, a 7-3 triumph over Cleveland. The White Sox struck for four runs in the first inning when their first six hitters reached base against John Denny (2-5).

Steinbrenner Shows Interest In Purchasing NHL Rockies

Steinbrenner, the principal owner of the New York Yankees baseball owner of the Colorado Rockies of the National Hockey League, to discuss buying the financially strapped NHL club and moving it to New Jersey.

"I met with George for the first

time Friday and he seemed very in-terested in the team," said Gilbert, who lives in Buffalo and owns a cable television company in the city. "He said he will get back to me. I'm not shopping my team around. But let's face it, I'm in no

be in the spotlight have made him the most visible of baseball owners. He also has made the Yankees a success, after about 10 years of failure following the 1964 season. Steinbrenner's interest in buying

McMullen also wants to buy the Rockies and move the franchise to East Rutherford, N.J. McMullen, who refused comment on his reported interest in

John McMullen, chairman of the

Houston Astros baseball club.

the Rockies, is a former director of the American Ship Building Co... which Steinbrenner heads as president. McMullen still owns more stock in the company than Steinbrenner.

It has been learned, meanwhile, that the four NHL clubs that held up the sale to McMullen are Buffalo, Los Angeles, Winnipeg and Chicago. The NHL Board of Governors

without taking a vote on Gilbert's longstanding request to move the franchise from Denver. The president of the National

Hockey League, John Ziegler, said the board is to meet before May 24

Cupecoy's Joy Captures Acorn Stakes, Breaking Track Record Set by Ruffian

Crown races. The high-strung filly had set the pace in the Kentucky Derby be-

More Sports On Page 13

ago in 1:34 1-5 over a slightly wet

Cupecoy's Joy scored by 214 lengths over Nancy Huang and returned \$17.20 for \$2 to win. Vestris was another 31/2 lengths back in third, Before Dawn, the 8-5 favorite, finished last in the field of nine.

Roberto Perez, the winner's owner, and Alfredo Callejas, her trainer, are both Argentines, and they have suggested in recent weeks that they were being treated poorly by the racing establishment because of the Falklands Islands crisis. Saturday, they hugged each other in the winner's circle and said their dreams had been real-

The Acom is the first of the New York triple crown series for 3-year-old fillies. It is followed by the Mother Goose at a mile and one-eighth June 4, the day before the Belmont Stakes, then the mileand-one-half Coaching Club American Oaks on June 26.

Celtics Force a 7th Contest With 88-75 Defeat of 76ers

PHILADELPHIA - Robert Parish and Larry Bird sparked a run of 12 consecutive points in the fourth quarter Friday night to carry the Boston Celtics to an 88-75 victory over the Philadelphia 76ers, forcing a seventh game to decide the Eastern Conference fi-

The Celtics, given up for dead last Sunday when they fell behind 3-1 in the series, were to have a chance to successfully rebound from that deficit against the 76ers

for the second straight year Sunday at Boston Garden.
"We never gave up," Parish said.
"We always believed the game's not over until the last second ticks off the clock. I've got to give this club a lot of credit for having a lot of courage."

Kevin McHale took the mortician's eye view. "We were lying down in the coffin," he said. "Now both teams have a couple of feet in the coffin. Whoever slips in first, the other team will nail the coffin shut."

It is hard to tell what has contributed more to this sudden turnabout - the Celtics' hustle and pressure on defense or the 76ers' inability to throw the basketball into the ocean when forced into a set offense.

Check these figures. The 76ers: Scored 27 points in the second half, the lowest total for a half in any NBA playoff game since the adoption of the 24-second clock in 1954, and 11 in the fourth quarter, tying a record.

 Made only 7 of 34 shots (20.6) percent) in the second half, includ-ing an incredible 3-of-19 (15.8-percent) performance in the final Sank only five field goals in

the final 18:12 of the game, two of them courtesy of goaltending calls against McHale and Rick Robey. · Saw Andrew Toney, who had 39 points in Game 4, fizzle with just one field goal on 11 shots for three points.

"I'd say in the whole second half we couldn't generate anything," said the 76er coach, Billy Cunningham. "They blocked a lot of shots

The game really turned around once they got the lead. We had our opportunities early."

The Celtics trailed by 15 in the first quarter, by 12 late in the second, and by 67-61 with 9:46 left to play before taking control.

NBA PLAYOFFS

McHale and Gerald Henderson each hit two free throws, Parish made a pair of jumpers and Larry Bird scored on a tap-in and drive to make it 73-67 with 6:47 remain-

"Once we got the lead, it was like new blood for us," said the Celtic coach, Bill Fitch. "It was like a reward for the way we were

Arguello Retains WBC Crown With Knockout in 5th

LAS VEGAS - Alexis Arguello recovered from a first-round knockdown to retain his World Boxing Council lightweight cham-pionship Saturday by knocking out Andrew Ganigan at 3:09 of the fifth round.

Arguello, 134%, used a left-right combination to send the Hawaiian challenger to the canvas. It was his fourth successful defense of the 135-pound title.

Ganigan, 135, had a style that seemed to confuse Arguello in the opening round. The challenger was the aggressor from the outset and caught the champion with a hard left to send Arguello to the canvas for a mandatory eight-count.

Arguello, spurred by the knockdown, turned aggressor in the fol-lowing round and took aim at Ganigan's head, knocking the Hawaiian down in the third round and drawing blood from the mouth and nose in the fourth and

"When you play as good a de-fense as we did, they're going to have some surprised looks," said Bird, who matched Parish's 14 points and also pulled down 17 rebounds. "I have to say our defense

điđ it." The 76ers did claw back to within 74-73 with 4:28 remaining but Gerald Henderson, who finished with 13, hit two jumpers in an 8-0 spurt that erased any doubt that one more game would be played in

this series. The Celtics, who trailed by 15 points in the first quarter and by 12 late in the second, never led until 7:58 remained in the game. That is when Parish hit a iumper in the lane to give Boston a 69-67 advan-

But the Celtics, who started the But the Ceincs, who started the surge trailing, 67-61, following a 3-point play by Julius Erving with 9:46 left to play, were not through. Parish, playing with five fouls, hit another jumper, and Bird canned a long shot, his second basket of the rally, to give the Celtics a 73-67 lead with 6:47 left.

A collapsing Boston defense.

A collapsing Boston defense, meanwhile, held the 76ers without a field goal for 4:07. Philadelphia was mable to do anything out of a

set offense. **Erving Leads Scorers**

McHale led Boston with 17 points. Erving led all scorers with

The Celtics, who trailed at halftime, 48-42, tied the score for the first time at 51-51 on a follow-up basket by Cedric Maxwell with 8:39 left in the third period. The game was also deadlocked at 53-53 and 57-57 before the 76ers established command at 64-58. But McHale hit a 3-point play with 10 cit to three by the end of the quar-

The 76ers started quickly, scoring the game's first seven points, and extended their advantage to 25-10 with 3:41 left in the first quarter on Toney's only basket of the night. But Bird led Boston on a 10-1 tear through the remainder of the quarter to close the gap to 26-20.

Montreal's CFL Team in Business

MONTREAL - Montreal's new Canadian Football League team has won a courtroom battle to fend off seizure of the former Alouette franchise and its player contracts by past owner Sam Ber-

The ruling Friday by a Quebec assignment to the new team be-Superior Court justice relieved the cause he had been granted the new yet-to-be-named franchise right to negotiate a contract with from the threat of seizure of it players and cleared the way for it to begin normal business. The CFL had earlier advised the Montreal Football Club and Co. not to make any transactions until the seizure motion was settled.

The CFL awarded all Alouette players except quarterback Vince Ferragamo to the Montreal Foot-ball Club Friday after Justice Paul Reeves postponed hearings on Berger's attempt to seize the franchise until next Friday, but granted the CFL's motion to deposit \$280,000 - the amount still owing from Berger's 1981 sale of the Alouettes to Vancouver entrepreneur Nelson Skalbania - with the court.

"All remaining impediments to the operation of a new franchise have been removed," CFL lawyer Allan Hilton said. He said the new team was free to sign players to contracts and to make trades. Hilton said the court would not

prevent the operations of the new team, but only rule on whether a CFL team can be seized. If the court ruled in Berger's favor, he would receive the \$280,000. If it ruled a team cannot be seized, the money would be refunded to the

Berger, who filed his first writ of

Soccer Clubs Draw English Cup Final

From Agency Dispatches

LONDON — Queen's Park
Rangers and Tottenham Hotspurs
drew, 1-1, in overtime in their Football Association Cup final Saturday and will replay the game Thursday.

Ricardo Villa, Tottenham's international soccer player from Ar-gentina, did not play because of the Falkland Islands dispute between Britain and Argentina "He's a football man and wanted to play at Wembley," said Totten-ham manager Keith Burkinshaw. "But sometimes world events over-take us." The threat of crowd abuse played a part in the decision

Meanwhile, in Glasgow, Aberdeen defeated the Glasgow Rangers, 4-1, to win the Scottish

Russians Report Spate Of Weightlift Records United Press International

MOSCOW - World records were broken repeatedly Saturday in the Soviet weightlifting championships in Dnepropetrovsk, with 19-year-old Yuri Zakharevich winging up with marks of 195 kilograms (429 pounds) in the snatch and 430 kilograms in total lift, Tass reported.

Zakharevich, a welder from Dimitrovgrad, was eclipsed in the jerk by world champion Viktor Sots, who improved his own world record with a lift of 237.5 kilograms. Both athletes are in the upto-100-kilogram weight class.

seizure in March, hoped to regain the money still owed from the sale of Alouettes to Skalbania and to ensure that none of the team's many creditors would attempt to sue him for payment.

Ferragamo was exempted from

A group of investors headed by Charles Bronfman, chairman of the Montreal Expos of baseball's National League, was granted the new Montreal CFL franchise May 14 when Skalbania's debt-ridden Alouettes were dropped from the league. Debts accumulated during Skalbania's one-year tenure reportedly topped \$5 million.

National Football League teams.

Congressmen Try to Block Move South by NFL Raiders

United Press International
LOS ANGELES — Three congressmen, two from Northern California, have joined in sponsoring a bill that could block the Oakland Raiders' move to Los Angeles.

A Raider spokesman called the bill "an end run around the law."

The bill, introduced Friday, was designed to overturn a jury's verdict that two weeks ago declared that the National Football League violated antitrust laws by keeping the Raiders' franchise in Oakland. The bill would require teams to get league approval before moving to

The NFL has asked Los Angeles federal Judge Harry Pregerson to block the Raiders' move while it appeals the verdict. Pregerson is expected to rule next week on whether to grant the request.

Representative Formey Stark Jr., an Oakland Democrat who is sponsoring the legislation with felow Democrat Donald Edwards of San Jose and Henry Hyde, an Illi-nois Republican, said the bill could wipe out the verdict because of a provision covering cases that "have not proceeded to final judg-

ment," including appeals.

The bill, the Major League Sports Community Protection Act

Spain Expands **Drug Testing Lab** For World Cup United Press Internati

MADRID - Spain's official sports laboratory, one of the biggest in Europe, has doubled its staff to cope with compulsory drug tests during the four-week World Cup, which involves 24 teams and starts June 13.

Only two cases of illegal doping have been detected in previous World Cup soccer matches, so precaution more than fear of new abuse triggered the staff increase and a \$70,000 investment in new testing equipment at the government-run Sports Council Antidopine Control center.

Teodoro Delgado, official representative in Spain of the medical commission of FIFA, the world soccer body, said Friday that in the first phase of the tournamen two randomly selected players of each team undergo tests after each match. In the second round, semifinals and finals, four players are

FIFA bans stimulants of the muscular and nerve systems, such as amphetamine and cocaine, but also several medicines taken reguof 1982, also would prohibit a

franchise from using antitrust laws

to attack a sports league, which

was the basis of the Raiders and

Coliseum Commission's court vic-

tory over the NFL.

Nelson Maintains Atlanta Golf Lead

After 3 Rounds ATLANTA — Larry Nelson maintained his lead in the Atlanta Golf Classic Saturday, moving to 15-under-par by shooting a 4-un-der 68 in the rain-delayed third

Nelson, who shot 5-under-par 67 Friday to lead by one after the second round, widened his margin to three strokes. Keith Fergus, who shared the first-round lead, and Peter Jacobsen were tied for sec-ond. Ray Floyd, who had a 64 Saturday, was another shot back.

"I think I can shoot the same score I won with here in 1980 [18under 270] and still not win." Nelson said. The way these guys are playing I could shoot a 69 Sunday and still get beat so I'm not overconfident. I want to go out and score well and make someone shoot a 64 or 65 to beat me.

Nelson, who won the PGA Championship last summer at another course in Atlanta and won the Classic two years ago, started the day one stroke ahead of Scott Hoch, who dropped back in the field with an early double bogey. He never lost that lead although Peter Jacobsen closed to just one stroke back when Nelson ran off 10 straight pars before regaining his birdie touch.

Thompson Sets Record In Deacthlon in Austria . United Press International

GOETZIS, Austria — Britain's Olympic decathlon gold medalist, Daley Thompson, set a world record in the event Sunday when he scored 8,707 points and improved on the mark of 8,649 points set by Guido Kratschmer of West Germany on June 15 1980.

France, Russia Tie in Rugby The Associated Press

MOSCOW - France and the Soviet Union fought to a 10-10 draw Saturday in their European rugby Group A match, Tass reported. The French had already clinched the European champion-

Bet man. Monte Carlo Race

is most aware of he the the Press Intername.

Increpated to Monte CARLO — Riccardo and Party and Prix anto races of people countries wictory in 71 Grand Prix auto races and people countries. Sunday because his Brabham was ably leading car that was ably leading the leading car that was ably leading the leading car that was ably leading the leading the leading car that was ably leading the leadi

part of Loudon by Patrese, meanwhile, had re-Challow's bone but "Patrese, meanwhile, had re-of Earl Groy by "truck officials who were trying to d her min the patrese of the way of any

of man who is a said. No one doubten ann.

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es some house and place and behind the winner.

helves, feeding on the Apart from Patrese, five other inges; in Pun one and the cars were running at the end of the to do with contains and the top placings. But to do with course to do with course to do with course to be bearing on the top placings. But and Pym s wings to no bearing on the top placings. But and astringent to be like to fourth position, just nother human burgers ahead of Elio de Angelis, his Ital-

Gomez Wins Italian Tennis Crown

years to win the Italian Open ten- American's serve seven times. Gomez, 22, followed 1980

ated from the war "Teltscher's service, and finished in nals." es fearang a beat mis 📆 Bunge Beats Rinaldi in Berlin the speake park on the speake park of the speake park on the speake park of the speake pa

was returned Some he spade are minist BERLIN — Bettina Bunge won her first outdoor professional title Sunday when she defeated 15-yearold Kathy Rinaldi, 6-2, 6-2, in the final of the German Open tennis

tournament in West Berlin. Bunge, 18 years old, took just 70 minutes to beat Rinaldi, who had won her way into the final with an upset 6-3, 7-5 defeat of Sylvia Hanika on Saturday. Before that,

vecof Yugoslavia. Bunge, a West German who lives in the United States, carned \$18,000 for the victory. Rinaldi received \$9,000.

Rinaldi had upset Mima Jauso-

"She played really well today," inaldi said after the match. "She

artly. He work the party and loss down PARIS — Jimmy Conners was among several tennis players who came to Paris a few days early to get in some extra practice for the French Open, the world's premier

clay-court tournament, which be-

gins Monday.

SCASTS "I had nothing else to do this week." Connors casually explained Saturday as he lingered at a service tent, waiting for some racquets to :M 102 : E 182 25 5 Still, the French Open remains the only one of the four Grand Slam tournaments that Connors

has never won, and with Bjorn Borg and John McEnroe absent this year Connors must recognize that, at age 29, his opportunity to win might never be better. But, cheerful after a good workont, he was dismissing any talk about that. "Age is only a num-ber," he said. "You can be old and

still play young." The organizers here apparently agree, having seeded Connors No. I even though he is normally a better player on hard surfaces than he is on clay. They expect him to be the first American to win the French title since 1955 when Tony Trabert beat Syen Davidson in the

bly will have to defeat Ivan Lendl, the losing finalist here last year and a winning finalist in just about every tournament he has played nas won 89 of 92 matches since
September. He is seeded to meet
Connors in the final June 6

To do that, however, he proba-

But if Borg will be celebrating his birthday, he will not be celebrating a seventh French title. He trailing, 2-5, 30-40, in the third. on \$51,666.

an hour and 45 minutes with an-ROME - Andres Gomez of Ec- other break uador defeated Eliot Teltscher, 6-2, 6-3, 6-2, Sunday to become the seven aces against the lackluster

In between, Gomez served up third South American in three and listless Teltscher. He broke the

match," Gomez said after the vicwinner Guillermo Vilas of Argenti-na and last year's champion, Jose was hoping the match would only s (out of fix on the Gomez started by breaking was tired from yesterday's semifi-

and I'll just have to play well and see what happens," Gomez said. "I feel I'm in good form." big boost.
"At the beginning I thought that Noah was going to win the tourna-

nad me on the run in the entire

terfinals, was leading in the first set, 5-4. But she could not find ber

After the final, Bunge said she

match and was controlling the rallies for the most part." semifinal match against Bonnie Gadusek. The match was halted Saturday because of rain. Gadusek, who knocked out top-seeded Hana Mandlikova in the quar-

form again Sunday as Bunge won, was surprised how easily she de-feated Rinaldi. But, as Rinaldi acknowledged: "Bettina was clearly playing better; the result corre-sponded to the way the game went.

Compared to the semifinal, I was

ifying rounds for not having com-mitted himself to at least 10 Grand

to would have good a Connors Heads the Field for French Tennis

suit to score in the Second and is skipping the tournament be-cause of the regulation that would have required him to play the qual-

> Prix tournaments in addition to the Grand Slam events. McEnroe, who has never excelled in Paris because of his unfamiliarity with clay, had planned to attend. But he withdrew last week with an ankle injury. Two beneficiaries of Borg's and McEnroe's absence are two highly touted Americans: 23-year-old Chip Hooper, who became the No.

15 seed, and 22-year-old Mel Pur-cell, who was seeded 16th. On Sunday, Hooper and Purcell won a doubles title at a tournament in Guillermo Vilas is seeded third, followed by José Luis Clerc, Geru-laitis, Eliot Teltscher, Peter McNamara and Yannick Noah. The seedings conform to the latest rankings by the Association of

Tennis Professionals. While Connors has never won a title here to complement his Australian, Wimbledon and U.S. championships, he has had his moments at Roland Garros Stadium in recent years. Not all merit Three years ago, he had the distinction of being the third of the three notables to be ousted by Vic-

tor Pecci, the tall Paraguayan who

seduced French spectators with his

spectacular elimination of Harold

Solomon, Vilas and Connors en route to the 1979 final against Borg. Then, in 1980, Connors staged a brilliant comeback after he was almost sent packing in the second round by Jean-François Caujolle. He lost the first two sets and was \$66,825, and the women's champi-

point with a passing shot and then lought back to win seven straight games and eventually the match.

He later lost to Gerulaitis in the

Connors will also be remembered here for his dramatic breakdown last year, when he lost to Clerc in the quarterfinals. Playing in the rain, Connors was leading by two sets to one but trailing, 5-6, in the fourth. At 30-30 he was forced to replay a point he thought he had won. Instead of evening the set he lost the game and never recovered. The decision shattered his composure, and he lost the final

Ninety-eight women are entered. including the top six as ranked by the Women's Tennis Association. Hana Mandlikova, the defending champion, is the No. 5 seed, behind Chris Evert Lloyd, Martina Navratilova, Andrea Jaeger and Tracy Austin, who is here for the

New among the seeded players here is Kathy Rinaldi, who as a 14year-old amateur burst into prominence last year by upsetting Diame Fromholtz and Anne Smith. This year, as a 15-year-old professional, Rinaldi is seeded 15th. She enters the tournament fresh from upset victories over Mima Jausovec and Sylvia Hanika in West Berlin, where she lost the final Sunday to Bettina Bunge, 6-2, 6-2. Andrea Leand, another young American who recently turned professional, is seeded 12th.

The two-week tournament is worth 5,677,222 French francs, or

about \$945,000 (including the

Grand Prix bonus). The men's

champion will receive about

BUFFALO, N.Y. - George team, has met with Peter Gilbert, owner of the Colorado Rockies of

position to refuse talking to any-Steinbrenner's trades, frequent managerial changes and desire to and Wednesday in New York City

New York Times Service

first of the New York filly triple-

the hockey team puts him in direct to take a final vote on the Rockies' competition with a former partner, possible sale and move.

BELMONT, N.Y. - Cupecoy's Joy, the New York-bred filly who has often been the object of snickers and scorn for racing against horses considered out of her class, had the last laugh Saturday at Belmont Park. She led at every pole to win the \$86,250 Acom Stakes, the

fore finishing 10th against a field of colts and then was scratched from the Preakness because her owner was not given enough box seats. But Saturday she broke Ruffian's Acorn Stakes record by minning the mile under Angel Santi-

Extinguish 'Burnout'

By William Safire

NEW YORK — A snipe posted on a wood fence near my Washington office warns of "burnout," an occupational ailment complained about by frustrated or exhansted government employees.

A recent New Yorker cartoon by George Booth picks up this vo-

gue locution, now being overused by white-collar workers who feel overused themselves. The cartoon shows a frazzled schoolteacher | climbing out of a classroom win-dow to end it all, with one pupil explaining to an-other: Teacher

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burnout." "To burn oneself out" - applied to people, in the manner of a fire dying for lack of fuel — entered the slang lexicon around the turn of the century; in 1917, poet T.S. Eliot bemoaned "the burntout ends of smoky days," followed two years later by Fanny Hurst's "a tired, a burned-out, an ashamed smile"; and in 1955, four-minute miler Roger Bannister was refusing to run long races because "I shall burn myself out."

British author Graham Greene, in his 1959 "Congo Journal," wrote that a "burnt-out case" was a leprosy that had been cured only after the disease had run its destructive course; he turned that into a metaphor and popularized the term in the title of a 1961 novel about a man ravaged by his career.

In political hyperbole, the same image had been used earlier by Benjamin Disraeli to describe his rival, William Gladstone. "An exhausted volcano" was his term, picked up by Richard Nixon in 1972 as he swept from his administration the people he considered tired, lest "after a burst of creative activity, we become exhausted volcanoes."

In drug lingo, "burned out" is a sclerotic condition of the veins, reported the late David Maurer in his "Language of the Underworld," present in longtime addicts who have been shooting "up and down the lines.

De Sola's new Crime Dictionary lists "burnout" as the gutting of a house or apartment by fire, but that's not the metaphoric meaning we're talking about, In Webster's Sports Dictionary, published in 1976, a drag-racing definition ap-pears for the word: "A brief spinning of the rear tires of a drag in a small puddle of water. The friction created by the burnout heats up the ires and softens

the burnout we mean, either. The use of the word to mean an affliction of the pooped, disgusted person loaded down with ennui and unable to function in his job was probably coined in 1974 by a New York psychiatrist, Dr. Herbert Freudenberger (good name for a psychiatrist). He is the co-au-thor of a book, "Burn-Out: The High Cost of High Achievement," and defined "burnout" as "the exninction of motivation or incentive. especially where one's devotion to a cause or relationship fails to produce the expected rewards."

the rubber so that they will have

increased traction during the

race." That cannot be the source of

In 1980, several other books pushed "burnout" in their titles, including "Teacher Burnout and What to Do About It" by Stephen Truch, which stimulated Time magazine into writing a sizable piece and caused Miss Thistlebottom to head out the window.

The locution is now undergoing linguistic burnout. * * *

IT BEGAN when President Reagan announced he was ready to "go the extra mile" to achieve a budget compromise. Speaker of the House Thomas P. (Tip) O'Neill Jr. took the metaphor a step fur ther by deriding the president's trip to Capitol Hill with: "He'd walk a mile for a camera." That was a play on the Camel cigarette slogan of a couple of generations ago and surely drew a smile from pun-loving geozers, even if it whizzed past most of the popula-

Dan Schorr, of Cable News Network, tells me he has seen this exa walk taken by a condemned man on his way to execution. No politi-

Ephraim Kishon The Israeli in the Eye of the Needle Delivers A Few Barbs on Mankind's Idiosyncracies

By Jordan Elgrably International Herald Tribine

A PPENZELL, Switzerland — "I became a satirist when I learned that mankind is insane." Ephraim Kishon says.

Ruminating here in a mountain villa, where the silence is mollifying for the prolific Israeli lampoonist, he recalled how an avocation became an obsession. After writing novels as a child and winning a prize for a short story at 17, it was an odyssey of wartime adventures, which began in 1942, that made the young dabbler a seriously funny writer.

His looks at 18 — dashingly trim figure,

blue eyes, crewcut blond hair and mustache landed him in Fascist Hungary's Youth Bodyguard. Uncovered as a Jew, he put in time in German, Hungarian and Soviet camps. Between escapes, he flitted about 1944 Budapest from flat to flat, amid food shortages, epidemics and bullets. Then, as the war was coming to a climax, he sat down and committed the world to paper.

"You know the story — I was hiding. At the end of the war, I crossed the German lines, wanting to reach the Russians. This was at the border near Budapest. In short, I got

"Bombs were falling and with the heavy cross fire of artillery I couldn't do anything but crawl, looking for shelter. I found a bombed-out house and went down to the cellar. And there," he chuckles sardonically, "I discovered nothing but about 100 jars of tomato juice — typical Hungarian provisions. I also found more pencils and big blocks of paper. Living on the tomato juice and all its acid, I had an incurable diarrhea, but I began to write, in the inference of events, of a political movement against bald-headed people." Bald-headed people?

"Yes, why not?"
Kishon emerged from the hole six weeks later with his first satirical novel, a parody of Nazism and "the idiosyncracies and craziness" of the laws against the Jews. Eventually it won Hungary's highest literary prize, but initially it was banned by Communist leader Matyas Rakosi, who was himself bald.

'Making a Living'

"I'm often asked if there is an Israeli hu-tor," says survivor-saturist Kishon now. "There isn't, but I'm making a living off it."

He first came to Appenzell from Afeka, Israel, (where he lives half the year) 10 years ago, to supervise foreign productions of his plays and to write. He finds the hamlet ideal and has just put the finishing touches to his latest collection of satires. "The Camel in the

haps the world's most published contempo-

rary satirist.
"In America, I'm a big fat nothing," he complains, though The New York Times has praised him, Mark Twain and Jewry's revered humorist, Shalom Aleichem, in the same panegyric. A compendium of the Israeli's diatribes. "New York Ain't America." has just been unleashed on that city and exemplifies his unflagging vitriol: "American writers con-front incredible humiliation. When in the United States the name of an esteemed author comes up during a conversation, it isn't the literary prowess of his oeuvre which is lauded, nor his masterly power of expression and polished language, not even the depths of his fantasy. He's not praised any better than with the statement, 'He makes \$500,000 a year.' Disgusting, isn't it?"

German Success

His big success has been in the Germanspeaking world. He has for the past 10 years sold more books than Heinrich Böll and Günter Grass together. "A pity good old Adolf hadn't lived to see it." Kishon chortles. "It may be that my humor is originally Central European, but in the whole Kishon there are only two things Hungarian: my ac-

cent and my stomach. He went to Israel in 1949, fleeing a Hungary muted under the Stalinist regime ("Com-munism is a beautiful theory with one defect you can realize it").

He says he does not write as a Jew, but as an Israeli, and, he adds, unlike American Jewish writers, "I am not delivering the stuff that goes over," he says.

"Gentiles don't want to read about the Israeli pilots who bombed the nuclear reactor in Iraq, who flew 800 kilometers and returned safely, pinpointing a 20-meter building. They don't like to read about Entebbe either. They want Tevye, the Dairyman."

Kishon feels he's the first Jewish writer to portray Jews as human beings, living in Israel as "simple people with simple problems." When, in 1976, he collected the Aachen Prize, one of West Germany's highest civic awards, already given to former President Walter Scheel and Chancellor Helmnt Schmidt, he was cited for "humanizing the

relationship between citizen and authority. His satires are artfully vituperative and full of critical understatement. He says he never criticizes his country abroad, but only at home, which is perhaps why Golda Meir once offered him a vice-ministerial post in propa-ganda. His plays, films and books arouse

smiles and sympathy for the beleaguered state, he agrees, but he refused the offer. Kishon warns: "Israelis have a dangerous



Satirist Kishon

He, however, wasn't loafing, when in 1952 was given the rare chance to write a column for Israel's largest newspaper, Ma'ariv. His career blossomed

When I began to write this daily column of 30 lines, it seemed to me I spent 30 hours a day on it. It was impossible. Almost." Arriving in the promised land three years earlier without knowing a word of Hebrew, Kishon worked in a kibbutz as a plumber, electrician, groom and toilet scrubber before he mastered the language. "There is no transition from Hungarian to Hebrew as there is no transition from an apple to a light bulb," he says, empting in smiles.

Martiage Renewal Exam

Happily married for 25 years to Sarah Lipovitz, a concert pianist who studied at Juil-liard in New York and now runs an art gallery in Tel Aviv, Kishon cautions, "I'm a satirist in what I write, but not how I live."

He excoriates marriage as one of man-kind's greatest follies: "There ought to be a law for marriage renewal every 20 years, with an exam similar to the one you take for a driver's hoense. After all, it's no secret that marriage is something for women and not men. Obviously then, only women should get LETTER FROM SYDNEY

Search for 'Criminals'

By John Shaw

CYDNEY — Though Australia's Ditentennial is still six years away, ambitious preparations are already being made to celebrate the anniversary. But the planners face a delicate historical challenge. The approach favored by gov-

ernment officials is to focus on the first permanent white settlement, which was established on the site of this city in 1788. Several private groups contend, in contrast, that the real character of the initial settlers ought to be commemorated. This difference in emphasis has

stirred a bit of a debate - for the early Australians were convicts. And there is some feeling that exposing their origins may prove embarrassing.
Many Australians reject that no-

tion. Not only are they proud of their felon forebears, but genealo-gists here are thriving on commissions from families eager to trace their illicit roots. By present-day standards, of

course, the pioneer outlaws would scarcely be considered criminals. Many were "transported" to Australia from England for such "crimes" as stealing a loaf of

Continued Until 1840 The system of banishment continued until 1840, by which time many unfortunate men and wom-en had worked and died in labor gangs, clearing scrub for farms or laying the foundation for towns. The fate of others varied. Some

acquired skills as engineers and architects, becoming free and prosperous. Others went on in semi-slavery to serve the independent immigrants who followed the con-

vict ships.
Australians who descend from that era now regard themselves as something akin to aristocrats -- as if, to hazard an American comparison, their ancestors had arrived on the Mayflower.

This search into the past is reflected in a proliferation of novels, histories, films and television programs that dramatize the convict period, and the vogue seems to stem from factors that are changduring World War II, began to de-velop its own nationalism, and that feeling of distinctiveness has endured. It has further been deep ened by the influx of European and Asian immigrants who have come here within recent decades.

Yet another element has contributed to the quest for national identity. Affluent Australians, enriched by this land's wealth, want social status that money cannot buy. So, by some strange twist convict ancestors have become the equivalent of nobility.

One indication of this phenome. non is the growth of an organiza-Convicts, formed not long ago by the Melbourne Genealogical Soc ety. Its membership has increase by 30 percent, to about 2,500 within the past year.

Australians seeking to trace their criminal origins have an advantage of those whose forebears came here freely, thanks to the elficient English penal system of the 18th century.

The names of convicts were reg istered in English parish records before their exile to Australia Is addition, the passenger lists of the prison ships were carefully filed both here and in London. Thus uncovering a skeleton in the closet is relatively easy.

Australian researchers have also found an astonishing genealogical lode in the United States. It is a catalog of 64 million family names assembled by the Mormon church. The archive, which records families of all faith, is open to public

With all this, then, Australia is rediscovering its social history, and the exploratory voyage is fascinat-ing—especially when a family can point with pride to a wretched ancestor who was banished here for poaching a rabbit from an Eng-

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Taiwan Population Grows

*The Associated Press TAIPEI — Population in Taiwan totaled 18,203,436 by the end of March, according to government statistics released Saturday. Taiwan's population increased by 67,928 people in the first quarter of 1982 for an annual growth rate of 1.52 percent, compared with 1.67 percent during the same per-

ing Australia. Until a generation ago, Australians tended to see themselves as His wife is the "little woman" in many of Eye of the Needle." He also has an office in mania in common: They absolutely must tra-mile usage reported as "the president said he would go the last mile." No. The "last mile" refers to his books. Kishon says: "The soul of the displaced English. It was common, Zurich. build up the country. But since the Jews are, for example, to refer to England as "home." But that old tie has lost Syndicated journalist, playwright and the maker of five films, he is the author of 47 woman is for me an open book, unfortunately as everybody knows, a people that are averse to work, they, for instance, finish the con-struction of a house in three days so they can written in an incomprehensible language." And sex? "I must disappoint you," he re-plies. "I like it." its meaning, for a couple of reabooks which have been translated into 25 languages. With 26 million copies sold, he is per-But when did this familiar word cal mileage in that. loaf the rest of the week." Australia, isolated from Britain od last year. picture turn into a noun? Ralph HOTELS RESTAURANTS NIGHT CLUBS HOLIDAYS & TRAVEL ANNOUNCEMENTS AMERICA CALLING **ADVERTISEMENTS CLASSIFIED** ATHEFIE. Travelers' messages. Write Box 6262, Olympia, WA 98502, USA. SUBSCRIBE The Moonificant U.S.A. STELLA SOLARIS to the **SERVICES** LEGAL NOTICES **AUTOS TAX FREE** REAL ESTATE TO RENT/SHARE **EMPLOYMENT** REAL ESTATE FOR SALE REAL ESTATE TO RENT/SHARE INTERNATIONAL The yacht-Ske POURIG WOMAN as tourist quide to business executives in Paris. 541 17 40. GENERAL POSITIONS WANTED STELLA OCEANES **SUMMONS** with NOTICE **YOU GET** HERALD PARIS AREA FURNISHED GREAT BRITAIN PARIS & SUBURBS AUSTRIAN LADY, 33, college/university advection, office experience, cristocrat, would like to conspile your company. 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ed respectively thereunder, which provisions, letter-alia, prohibit the use of material, non-public information in commercial with securities transactions. If on March 10, 1981 you acquired or host on interest in the purchase of SICh common stock, March 25, March 30, Jane 25, or June 30 cell logical common contracts through Barron Della Svizzera Italiana; common

common stock obtained as a result of the activities set forth in the Second Amended Complaint, loss of early manies now frazen in the United Stotes; and any other relief deemed just, equincies and appropriate by the Court.

If you are a defendent in this action, you are hereby clad to show cause before the U.S. District Court for the S.D.N.Y. In Room 1306 of the U.S. Courthouse of foley Source, New York, New York on the 15th day of June, 1992 why a prelimency intensions should not be entered against you for violations of 15 U.S.C. ##79(b) and 780e; of the Securible Enthange Act of 1934 and relies promulgated thereunder.

The Court has jurisdiction over this matter pursuant to 15 U.S.C. ##79(b) and 780e. The Securible Enthange Act of 1934 and relies promulgated thereunder.

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